



Daily Report

LAST ISSUE

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LAST ISSUE

China

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Daily Report China

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General

PRC: Jiang Zemin on Early Conclusion of Nuclear Treaty

OW0507133996 Beijing XINHUA in English
1312 GMT 5 Jul 96

[FBIS Transcribed Text] Alma Ata, July 5 (XINHUA) — China is ready to join other countries in working for the conclusion within this year a "fair, reasonable and verifiable" nuclear test ban treaty "with universal adherence and unlimited duration," Chinese President Jiang Zemin said here today.

In an address to the Kazakh parliament, Jiang, who arrived here Thursday afternoon for a three-day visit to the Central Asian country, said "China always stands for complete prohibition and thorough destruction of nuclear weapons and endorses a comprehensive nuclear test ban in the process towards this objective."

Jiang stressed that China's declaration in June of a moratorium on peaceful nuclear explosions from the coming September "is not only a response to the legitimate demand of the vast number of non-nuclear-weapon states, but also a move to quicken the conclusion of the Comprehensive Test Ban Treaty (CTBT)."

He added that China has been actively participating in the CTBT talks, the latest round of which just ended in Geneva in late June. The new rounds are to resume on July 28.

Jiang affirmed that the Chinese government and the Chinese people will exert their utmost efforts to work for a nuclear-free world and for maintaining lasting peace and universal security in the world.

The president pointed out that China had been compelled to conduct "extremely limited but necessary nuclear tests" in order to safeguard the paramount interest of the country and the people.

Although the international situation is on the whole moving toward greater relaxation, Jiang explained, the world is not yet tranquil as hegemonism and power politics linger on and the dark shadow of huge nuclear arsenals and nuclear threats remain.

China's reform, opening process and modernization drive require a peaceful international environment of prolonged stability, Jiang went on to say, adding that China had been subject to threat of nuclear attacks in the past.

The president noted that the small number of nuclear weapons China possesses are entirely for the purpose of self-defense, and that "they constitute no threat to

any country, but are conducive to breaking the nuclear monopoly by major nuclear powers and preventing nuclear threats and nuclear wars."

He stressed that from the very first day of possessing nuclear weapons, China has, in a highly responsible manner for regional security and global peace, made a unilateral solemn pledge that at no time and under no circumstances will it be the first to use nuclear weapons, and has undertaken the obligation not to use or threaten to use nuclear weapons against any non-nuclear-weapon state or nuclear-free zone.

In 1994 China and Russia issued a statement on mutual non-first-use of nuclear weapons, in which the two sides vowed to take measures not to target their strategic nuclear weapons against each other.

China has also issued government statements pledging security guarantee for Ukraine and Kazakhstan respectively.

Meanwhile, China has strongly appealed to other nuclear powers to respond positively to China's initiative on the immediate start of negotiations aimed at concluding a treaty on mutual non-first-use of nuclear weapons and an agreement on unconditional non-use of nuclear weapons against non-nuclear-weapon states and nuclear-free zones.

PRC: Qian Qichen Reaffirms Moratorium on Nuclear Testing

OW0507230996 Beijing XINHUA in English
1846 GMT 5 Jul 96

[FBIS Transcribed Text] Almaty, July 5 (XINHUA) — China today reaffirmed that its moratorium on nuclear testing will begin in September this year and said that earlier tests hadn't caused adverse effects on the environment of central Asian nations.

President Jiang Zemin made clear China's stand on nuclear testing in a speech to the Kazak parliament earlier today and emphasized that China will suspend its nuclear testing as of September as promised, Vice Premier and Foreign Minister Qian Qichen told reporters here.

Qian said China's position has won the support of the leaders and people of central Asia and that earlier tests had not adversely affected the environment of these countries.

He said China fully understands the concerns of central Asian nations over the possible adverse effects of nuclear testing.

"We have adopted a serious attitude in tackling this issue," Qian said.

"Long-term monitoring and analysis conducted by Chinese scientists on the environment around the nuclear testing site indicate that China's nuclear testing did not cause adverse effects," he said.

This fact has also been proved by investigations conducted by scientists in Kazakhstan and Kyrgyzstan.

Qian is accompanying Jiang on a six-nation European and central Asian tour which has taken him to Spain, Norway, Romania, Uzbekistan, Kyrgyzstan and Kazakhstan.

The two-week tour is scheduled to end Saturday.

PRC: RENMIN RIBAO Hails Jiang's Europe-Asia Tour

OW0807003796 Beijing XINHUA Domestic Service in Chinese 1102 GMT 7 Jul 96

["Full Text" of RENMIN RIBAO 8 July Editorial: "Build a Mansion of Long-Term, Stable, and Friendly Cooperation — Praising President Jiang Zemin's Successful Visit to Six European and Asian Countries"]

[FBIS Translated Text] Beijing, 7 Jul (XINHUA) — At the invitation of leaders of six European and Asian countries, President Jiang Zemin paid a state visit to Spain, Norway, Romania, Uzbekistan, Kyrgyzstan, and Kazakhstan from 23 June through 6 July; and head of states, government leaders, and people in these countries accorded him grand reception and rousing welcome. We want to warmly congratulate the president for the complete success his visit has achieved.

The visit was another major diplomatic move of President Jiang following his tour of six African nations. During the visit, President Jiang — acting on the strategy of facing the needs of the 21st century, feeling the pulse of the profound international changes, and acting in line with the aspirations of people of all countries to safeguard world peace and promote common development — had extensive contacts, meetings, and conversations with leaders and people of all circles in the six countries. Their in-depth discussions on how to establish long-term, stable, friendly, and cooperative relations as well as international issues of common concern were fruitful in promoting mutual understanding, increasing trust, and broadening common understanding. During the visit, China and these six countries signed nearly 30 agreements and documents, and issued joint statements with Romania, Uzbekistan, Kyrgyzstan, and Kazakhstan. The signing of the Sino-Kyrgyzstan national border agreement is particularly worth celebrating. These achievements will have a far-reaching impact on broadening China's friendly cooperation with these countries, enhancing China's good-neighborly and friendly ties with

neighbors, and improving the stable and peaceful world environment that the Chinese people need for a long time to come for reform, opening up, and modernization.

During the short two-week period, President Jiang and his party proceeded with their tightly scheduled diplomatic activities; and they met some old friends and made many new ones. As the world economy is becoming increasingly globalized and transnational ties are becoming increasingly close, high-level contacts and direct meetings between leaders are still an important, irreplaceable form of modern diplomacy. The visit's many substantial achievements were made specifically on the basis of the extensive common understandings reached by high-level leaders of China and these countries on issues that have overall significance.

The six countries that President Jiang visited are in different regions and their situations are also different. While the differences are quite substantial in terms of social systems, cultural traditions, and ideologies, as well as in the modes of development and the levels of economic development, these differences are not insurmountable barriers obstructing the development of transnational relations. Facts prove that long-term, stable, friendly, and cooperative relations can be established as long as countries treat each other equally, respect each other, seek similarities while reserving differences, coexist harmoniously, and do not interfere in other countries' internal affairs. President Jiang's just-concluded visit to the six European and Asian countries has once again fully reflected the independent diplomatic policy of peace which China always upholds, and also reflected China's sincere wish to establish and develop friendly relations with all countries on the basis of the five principles of peaceful coexistence. President Jiang's successful visit continues to indicate that the five principles of peaceful coexistence, which are uniquely realistic and have powerful vitality, are the best way for handling contemporary international relations. Observing these basic guiding principles in handling international relations is both conducive to promoting world peace and stability and to expediting the common development of all countries, and therefore these principles should become the basis of a just and rational new international political and economic order which people the world over eagerly demand.

On the whole, the world situation today has become more relaxed. Although multipolarization continues, hegemonism and power politics, massive nuclear arsenals, and nuclear threat still exist in the world. Although the world economy continues to grow, the gap between poor and rich countries is still widening and more than a billion people still live in poverty. Peace

and development are still two major issues confronting the world. In his important speech — entitled "Working Together To Create a Beautiful Future for Friendly Cooperation Between China and Central Asia" — at the Kazakhstan Parliament, President Jiang analyzed the basic characteristics of today's international situation and the trend of its development, and expounded certain important principles which China put forth for safeguarding world peace and promoting common development. He reiterated that China always stands for a comprehensive ban on and total destruction of nuclear weapons and is in favor of achieving a comprehensive ban on nuclear tests while moving toward this objective. He emphatically pointed out: For the sake of revitalizing the economies of developing countries, continual efforts should be made to promote South-South cooperation and to improve North-South dialogue and relations. To provide the vast number of Third World countries with the external conditions for accelerating their development, the unjust and irrational international economic order must be completely changed. Developed countries are duty-bound to take effective moves to help developing countries shake off backwardness and poverty, and must, in particular, do away with all forms of trade protectionism and discriminatory policies targeted on developing countries. The revitalization of developing countries is not only essential for the sustained development of the world economy as a whole, but also can provide developed countries with new investment and trade opportunities. These viewpoints and ideas of President Jiang have had the endorsement and support of the vast number of developing countries, as well as the understanding of many people with foresight in developed countries.

To accelerate the development of China's socialist market economy, we should be even more open-minded and have greater foresight with regard to opening up wider to the outside world. Governments and relevant departments at all levels should persist in guiding our enterprises — and especially the state-owned enterprises which have the ability — to exploit foreign resources even more actively and head toward the world market even more extensively. We must especially attach importance to seizing every opportunity to strengthening economic and technical cooperation with developing countries because that can give play to our strengths. In an organized and step-by-step manner, we should, through contracts, cooperation programs, joint ventures, and various other forms, cooperate with developing countries in undertaking some resource development, production and construction projects. Not only is this conducive to increasing China's economic development vitality, but will also enable China to make new and even greater contributions to promoting South-South co-

operation and common prosperity in developing countries.

President Jiang's foreign trip has once again proved that, at a time when mankind is advancing toward the 21st century and when Chinese people are making all-out efforts in building socialism with Chinese characteristics, we sincerely wish to treat people of all countries equally, coexist with them harmoniously, and be friend with them from one generation to another so that we can make progress together. The Chinese Government and people want to join governments and peoples of all countries in the world in making unremitting efforts to achieve the lofty cause of world peace, development, and progress.

PRC: Roundup: Jiang Trip Improves Understanding, Friendship

OW0607170296 Beijing XINHUA in English
1640 GMT 6 Jul 96

[FBIS Transcribed Text] Almaty, July 6 (XINHUA) — Chinese President Jiang Zemin today ended a successful and fruitful six-nation European and Asian tour, which has deepened mutual understanding and trust and strongly advanced the development of friendly, cooperative relations between China and the six countries.

During his two-week trip, Jiang made his first visits as Chinese president to Spain, Norway, Romania, Uzbekistan, Kyrgyzstan and Kazakhstan.

Jiang held in-depth, frank and friendly talks with leaders of the six countries and reached extensive consensus on the further development of bilateral cooperative relations.

The Chinese president signed separate joint communiques with the heads of state of Romania, Uzbekistan, Kyrgyzstan and Kazakhstan. China and Kyrgyzstan also signed a border demarcation accord.

Altogether, China signed some 30 documents, 18 of them with the three central Asian nations.

In Kazakhstan, Jiang gave a speech, "Working Together Toward a Better Future of Friendship and Cooperation between China and Central Asia."

China attaches great importance to developing friendship and cooperation with Spain and Norway in spite of differences in history, tradition, culture, values and development. They share the same or similar stances on major international issues and there are no fundamental conflicts of interest.

Spain and Norway also value cooperation with China.

Leaders of all three countries are committed to further developing friendly cooperation into the 21st century.

The leaders shared the view of "mutual respect, equality, mutual benefit and seeking common ground while reserving differences."

Both European countries and China wish to maintain high-level contacts and enhance political dialogue and economic and trade cooperation.

Complementary economic characteristics indicate there is great potential for cooperation.

Spain, as a member of the European Union, supports China's bid to join the World Trade Organization. The Spanish government also intends to actively encourage investment across China, from the coastal areas to the inland western regions.

Romania, an important nation in central Europe, has chosen a different development path and different social system from China. Even so, bilateral relations have been progressing smoothly.

Jiang's visit to Romania indicates again that no matter how the world changes, the friendship between the two countries and the two peoples, a common desire of Chinese and Romanian leaders, is long-lasting.

At their meeting in Bucharest on July 1, President Jiang and his Romanian counterpart Ion Iliescu agreed that Sino-Romanian friendship, which has endured numerous tests over time, is something to be valued by the two peoples.

China notes that the government, citizens, the ruling party and other parties in Romania are all committed to developing friendly relations with China. Both leaders said bilateral trade should increase through mutual efforts and according to the strength of their respective economies.

Uzbekistan is China's next-door neighbor. Kyrgyzstan and Kazakhstan share common borders with China. Since China established diplomatic relations with these three newly independent central Asian republics, bilateral relations have developed steadily and healthily.

During Jiang's brief, but effective and fruitful visit, leaders of the three central Asian countries reiterated their desire to strengthen political ties with China.

Talks between Jiang Zemin and leaders of the three countries show that along with the progress of friendly cooperation, they have more and more interests in common and their stance on many major issues has become closer.

In his address to the Kazak parliament on July 5, Jiang voiced China's sincere wish to peacefully co-exist with

central Asian nations. He was warmly applauded when he said China hoped to be "good neighbors, good friends and good partners" with central Asian countries.

During Jiang's visit to Kyrgyzstan, the fifth leg of his six-nation tour, heads of state of the two countries signed an agreement on the demarcation of their common border, which extends for more than 1,000 kilometers.

The signing of the agreement is proof of the good-neighborly and friendly relations between the two countries. The agreement is another important step forward in promoting regional peace and stability following Sino-Russian, Sino-Kazak border demarcation agreements and the accord on building military trust in border areas between China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan signed in Shanghai in April.

All six nations attached great importance to President Jiang's visit. Media commentators said the visit will lay a sound foundation for China to set up friendly and cooperative relations with these countries into the 21st century.

PRC: Shandong Selected for 'Euro-Asia' Economic Training Center

OW0607083996 Beijing XINHUA in English
0746 GMT 6 Jul 96

[FBIS Transcribed Text] Beijing, July 6 (XINHUA) — The Chinese government has decided to launch an international training center to promote economic development along the New Euro-Asia Continental Bridge.

The training center, to be located in Rizhao City of the coastal province of Shandong, will aim at promoting development of human resources for countries and regions along the bridge, according to a joint decision by the Ministry of Foreign Trade and Economic Cooperation, the State Science and Technology Commission and the State Planning Commission.

The New Euro-Asia Continental Bridge, starting from China in the east and ending in the Netherlands in the west, links more than 40 countries and regions.

China has attached importance to international cooperation on development of the economic belt along the bridge.

An international symposium on the issue was held in Beijing two months ago, with consensus reached by international organizations and countries concerned.

The training center in Rizhao will provide training service to technical and management personnel, officials

and business persons from China and other countries who engage in economic development along the bridge, economic and trade cooperation, and exchanges in the fields of science, technology and culture. The center will also work to publicize various kinds of knowledge about the bridge.

***PRC: Scholar Sees Superpower Decline,
Multipolar Rise**

96CM0396A Shanghai JIEFANG RIBAO in Chinese
22 Apr 96 p 4

[Article by Sino-Russian Friendship Association Vice President He Fang (0149 2455): "With a Multi-Polar Order Now Evolving, The Super-Powers Are Going To Become History"]

[FBIS Translated Text] With the growth, decline, breakup, and realignment of all international forces now occurring faster, the transition period in which the new world order is replacing the old will end within the next decade, with the new multipolar order being officially evolved.

This so-called multipolarization involves mainly two matters: 1) The strengths of the great powers are growing more balanced [being equalized], with major world affairs no longer being monopolized by one or two superpowers. 2) The developing countries are rising, so that many international problems, particularly issues involving them, will no longer be determined by consultation among the great powers alone. So multipolarization will not only contribute to world peace, but also will help to promote democratic international relations.

While the so-called great powers now refers generally to the five major power centers, those may of course change in the future. As the balance of power has always been relative, the absolute law of imbalanced [uneven] development has been the outcome. So even once the new order is established, the strengths of the great powers will still not be completely equal. For instance, in the former multipolar order, the economic might of the great powers differed. In pre-World War I 1913, the great power ratios of the world capitalist gross value of industrial and agricultural output [GVIO] were the United States 36 percent, Germany 16 percent, Britain 14 percent, and Japan only 1 percent. And in pre-World War II 1937, they were the United States 42 percent, Germany 12 percent, Britain 11 percent, and Japan 4 percent. But they were still all great powers, with the United States certainly not yet having become a superpower.

So the current equalization means only that the overall gap among the strengths of the great powers is shrinking, with each having their respective strengths, and all

becoming forces that will play independent roles, with the mutual restraint role becoming sharply stronger in particular. In detail, the United States is in relative decline, with ever more severe domestic problems and steadily declining capability to intervene in international affairs, the EC (particularly Germany) and Japan are growing in relative standing and autonomy, the great power but still developing country of China is growing rapidly in might, and Russia is remaining and recovering as a great power. What is debatable here is mainly the relative decline of the United States.

As its setback in international competition forced the United States in the 1980s to make a quite effective adjustment, particularly in enterprise upgrading, it has come out in front of Europe and Japan in the late 1990s. But U.S. economic problems such as high consumption, debt, and deficits and low savings and investment rates have certainly not improved markedly. While Europe and Japan are both hard to read, the EC will certainly not stop expanding and growing in might, rather engaging in further rivalry with the United States over European dominance, while Japan's contingency capability can be even less underrated. And while system and structural lags will make it very hard for the Japanese economy to overcome its difficulties in the short term, through difficult reform and adjustment, it will still be possible for it to catch up to the new world economic development tide coming in the early part of the next century, with its growth expected to stay at an average of 3-4 percent a year, slightly higher than the 2-3 percent of the United States. So the current "U.S. rise and Japanese fall" will not last long. And in any case, Japan is accelerating its pace of striving to become a political power and competing for Asia-Pacific dominance.

The rise of the developing countries shows even more so the irreversible trend of relative U.S. decline. Since the Cold War, the developing countries as a whole have maintained an economic growth rate of about twice that of the developed nations, long since reversing the widening North-South gap. And meanwhile, with certain international organizations and research agencies predicting that the developing countries will catch up to the developed nations as to ratio of the world economy in the first decade of the next century, passing them in the decade after that; that will end the two centuries of modern history in which a few Western nations have dominated the world economy. It is said that by that time, seven of the world's 10 economic powers will be developing countries. And the 1990s also show that the developing countries have become the key force driving world economic development, which is changing and reversing the North-South dependency relationship.

As their economic might grows, the developing countries, particularly regional powers and national blocs, will play an ever growing role in international affairs. For instance, the ASEAN bloc will have a key influence in the Asia-Pacific region, to stand on the same level as the other powers.

It is thus obvious that the multipolar order will be a graded one in that, in addition to the world-class power centers, there will also be various regional ones. And meanwhile, due to the law of uneven development, the balance of forces among all levels will also steadily grow, decline, and change, with regional powers elevated to world powers and world powers declining to regional ones.

But as the world is still in transition, we cannot say that the order of so-called "one superpower, multiple powers" is already formed. The international order is undergoing rapid change and sharp struggle, with all countries doing all possible to acquire a favorable standing in the new order. So the United States plots to exploit its temporary advantage to dominate the world and establish a single-superpower order will be in vain. For as the multipolar order is established, the United States will finally lose its historic superpower standing.

United States & Canada

PRC: NPC's Lei Jieqiong Meets Canadian Reform Party Leader

OW0607121196 Beijing XINHUA in English
1136 GMT 6 Jul 96

[FBIS Transcribed Text] Beijing, July 6 (XINHUA) — Lei Jieqiong, vice-chairperson of China's National People's Congress (NPC) Standing Committee, met with Preston Manning, leader of the Reform Party of Canada, and his party here today.

The Canadian visitors arrived here Friday [5 July] as guests of the International Liaison Department of the Communist Party of China Central Committee.

The visit of Manning and his party is aimed to acquaint themselves with China's economic development and to explore new ways for Canadian-China cooperation.

China is the second stop of a tour by the Reform Party leader in some Asia Pacific countries.

PRC: Li Lanqing Discusses Ties With U.S. Congressmen

OW0507110495 Beijing XINHUA in English
1042 GMT 5 Jul 96

[FBIS Transcribed Text] Beijing, July 5 (XINHUA) — Chinese Vice-Premier Li Lanqing expressed his hope that more U.S. congressmen would come to visit China,

during his meeting with a group of U.S. Congressmen led by Solomon O. Ortiz and Eddie Johnson.

Li said that China tours of U.S. congressmen would help to further the Sino-U.S. ties, especially their two way trade and economic cooperation.

He noted that the two countries are economically complementary, and there are bright prospects for the development of the bilateral economic ties.

The two congressmen spoke highly of China's economic achievement, and expressed that they would continue their effort in promoting the U.S.-Chinese ties.

The U.S. congressmen are here as guests of the Chinese People's Institute of Foreign Affairs.

PRC: XINHUA Reports Arrival of Anthony Lake, Winston Lord

OW0607114196 Beijing XINHUA in English
1130 GMT 6 Jul 96

["Assistant to U.S. President Arrives" — XINHUA headline]

[FBIS Transcribed Text] Beijing, July 6 (XINHUA) — Anthony Lake, assistant to the U.S. President for national security affairs, arrived here today for a visit to China at the invitation of the Chinese Foreign Ministry.

It is learned that the purpose of Lake's visit is to exchange views with the Chinese side on Sino-U.S. relations and major international issues.

Winston Lord, assistant secretary for East Asian and Pacific affairs of the U.S. State Department, and other senior officials accompanied Lake on the visit.

Lake and his party were met by Chinese Assistant Foreign Minister Yang Jiechi at the airport.

The U.S. visitors are scheduled to visit Shanghai in addition to Beijing and to end the trip on July 11.

PRC: Article Views Lake's Role in Foreign Policy, Visit To China

HK0807091296 Hong Kong WEN WEI PO in Chinese
7 Jul 96 p A2

[Special article by staff reporter Ho Liang-liang (0149 0081 0081): "Lake: The Man and His Deeds—Foreign Policymaker Behind the Scenes of White House"]

[PTS Translated Excerpt for FBIS] Anthony Lake, assistant to the U.S. president for national security affairs, has arrived in Beijing for a meeting with senior Chinese officials. This will be the latest high-level meeting between China and the United States. Reports

say that Lake will discuss the possibility of a visit by President Clinton to China. Lake will also travel to Shanghai to meet Wang Daohan, chairman of the Association for Relations Across the Taiwan Strait, sparking speculation in Taiwan's news media. [passage omitted on Lake's background]

Enters Clinton's Policy-Making Circle

One afternoon in the fall of 1991, at the invitation of a former colleague in the State Department, Lake met with Clinton, who was then running for the president, and offered his views on arms control and economics. As Clinton was previously a governor of a small state and was not familiar with international affairs and foreign policy, he needed an expert to help him in these fields. Soon afterward, he chose Lake as a foreign policy expert on his election team. After Clinton entered the White House, Lake became his assistant for national security affairs.

This gave Lake the opportunity to leave his mark on U.S. foreign policy. Lake worked under two presidents, Republican Nixon and Democrat Carter, and he has been trying to maintain a definite continuity in Clinton's foreign policy. But Clinton himself does not understand the issue of a strategic foreign policy. At the same time, Clinton is being held back by various factors and has too many things to look after in the formulation and implementation of his foreign policy, and this has caused a good deal of criticism in the United States. Henry Kissinger's comment on Clinton's foreign policy is: "The U.S. Government's foreign policy has often changed before bearing fruit."

Begins To Attach Importance to China Policy

Clinton has gradually gained the diplomatic initiative and has scored points for the United States on Haiti, the Middle East peace process, the Bosnian peace process, and other areas, in all of which Lake played an important role behind the scenes. But China policy is a major U.S. diplomatic flaw. When Lake served as Kissinger's special assistant, he was familiar with the Nixon-Kissinger ways of breaking the impasse in Sino-U.S. relations. China is much stronger now than it was in the 1970s, and its international status has become even more important. A visit by Li Teng-hui to the United States, however, precipitated tension across the Taiwan Strait and worsened Sino-U.S. relations. Since 1989, no U.S. president has paid a visit to the country with the world's largest population and fastest growing economy. This will benefit neither China nor the United States; it will be even less conducive to peace and stability in the Asia-Pacific region. Lake's trip to China will certainly have an important impact on the future U.S. policy

toward China. Given that the U.S. economy is booming during this election year, there is an excellent chance that Clinton will be reelected. Improving relations with China should be an important issue for the White House to study now, and Lake will obviously play an important role in this regard.

As is well known, Kissinger has always stood for close and friendly relations between the United States and China because this conforms to U.S. strategic interests. There are still contacts between Lake and Kissinger, and the former still has a high regard for the latter. It is said that in the spring of last year, when he accompanied Clinton on a visit to Ukraine, Lake was asked by an old Ukrainian man in a Kiev street for his autograph. Lake thought for a moment and wrote with a smile: "Henry Kissinger."

PRC: Article on Lake's Visit, Sino-U.S. Dialogue Mechanisms

HK0807062596 Hong Kong WEN WEI PO in Chinese
8 Jul 96 p a2

["Special Article" by Washington-Based Staff Reporter Chu Hsingfu (2612 1630 4395): "China and the United States Are Establishing High-Level Dialogue Mechanisms"]

[PTS Translated Text for FBIS] Washington, 7 Jul (WEN WEI PO) — At the invitation of the Chinese side, Anthony Lake, assistant to the U.S. president for national security affairs, started his five-day visit to China yesterday. This has been Lake's first visit to China, and his return visit to the visit by Liu Huaqiu, director of the Office of Foreign Affairs under the State Council, in March this year.

Lake was once director of the Policy Planning Staff during the Carter Administration. At present, he is the only member of President Clinton's working group in charge of foreign and national security affairs, who is close to Clinton every day. During his stay in China, he will have a strategic dialogue with Director Liu Huaqiu and other senior officials of the Chinese government. Both sides will extensively exchange views on Sino-U.S. relations, and regional and international issues of mutual interest. According to China's diplomatic practice, Lake will be received by the most senior Chinese leaders during his visit to China.

Temperature of Sino-U.S. Relations Has Risen

Liu Huaqiu visited Washington on invitation in March this year. At that time, Sino-U.S. relations were tense because of the crisis in the Taiwan strait. Although Liu Huaqiu had a useful dialogue with Lake and other senior U.S. officials, the atmosphere of the meeting was

not too good. Now, the tense situation in the Taiwan strait has eased, the event of UN anti-China resolution on human rights is over, and the issue of unconditionally continuing China's MFN status has become a foregone conclusion. Not long ago, President Clinton, Secretary of State Christopher, and Defense Secretary Perry successively uttered important remarks on their willingness to improve Sino-U.S. relations. Therefore, Lake's present visit indicates that the temperature of Sino-U.S. relations has risen.

In spite of the fact that both China and the United States have stressed the importance of Sino-U.S. relations, their relations are still in an abnormal state when the Clinton Administration is in office. High-level mutual visits and strategic talks have been off and on for various reasons. One thing which should be affirmed is that regular dialogue mechanisms between Chinese and U.S. foreign ministers set up by Qian Qichen and Christopher have been working despite difficulties. During his present visit to China, Lake and Liu Huaqiu will open new regular dialogue mechanisms pertinent to their positions. This is of positive significance to strengthening contacts, enhancing mutual understanding and promoting cooperation between China and the United States.

Paving the Way for Chi Haotian's Visit to the United States

According to analysts here, if everything goes smoothly, Lake's present visit might probably pave the way for Chinese Defense Minister Chi Haotian's visit to the United States within the year. Defense Secretary Perry originally invited Chi Haotian to visit the United States in August last year. However, due to Li Teng-hui's trip to the United States in June last year, Chi Haotian postponed his visit to the country. The U.S. side again hoped that Chi Haotian would visit the country in April this year. However, because of the Taiwan strait crisis in March, Chi again put off his visit. If China and the United States can establish regular dialogue mechanisms between their defense ministers, high-level contacts, dialogue, and military exchanges between the military sides of the two countries in the future will not be repeatedly obstructed by side issues.

Striving for Summit Meeting Next Year

Apart from a regular dialogue mechanism between the Chinese and U.S. foreign ministers, if the Chinese and U.S. sides can, within this year, establish regular dialogue mechanisms between assistant to the US president for national security affairs and the director of the Office of Foreign Affairs under the Chinese State Council, and between defense ministers of the two countries, the next

target to be achieved next year is the establishment of regular meeting mechanisms between the Chinese and U.S. heads of state. No matter who will become the next president of the United States, such high-level and multilayer regular dialogue mechanisms will enable the two sides to promptly solve some problems and disputes occurring in their bilateral relations in the future.

PRC: Qian Qichen—NATO's Post-Cold War Role Must Change

*OW0507232096 Beijing XINHUA in English
1826 GMT 5 Jul 96*

[FBIS Transcribed Text] Alma Ata, July 5 (XINHUA) — The nature and role of NATO should change now that the Cold War is over, in order to conform to current world trends, Chinese Vice-Premier and Foreign Minister Qian Qichen told journalists here today.

The U.S.-led military alliance is a product of the Cold War, Qian said when answering questions about China's position on NATO's eastward expansion and the participation of central Asian countries in NATO's Partnership for Peace program.

Qian said that the strategic structure of Europe has changed greatly since the Cold War ended at the beginning of the 1990s.

Different countries hold different views on what kind of new European security structure should be set up.

What action a country takes is its own affair. But for the peace and stability of Europe and the world, a country should also take into consideration the security interests and wishes of the other countries and regions concerned, said Qian, who is accompanying Chinese President Jiang Zemin on a state visit to Kazakhstan.

Central Eurasia

PRC: Qian Qichen Almaty News Conference

*OW0607055296 Beijing XINHUA Domestic Service
in Chinese 1851 GMT 5 Jul 96*

[By reporters Ju Mengjun (0215 1322 6511), Jia Zhiping (6328 1807 1627), and Gao Xinghua (7559 5281 5478)]

[FBIS Translated Text] Almaty, 5 Jul (XINHUA) — Qian Qichen, Chinese vice premier and foreign minister, said here today that President Jiang Zemin's six-nation tour in Europe and Asia is fruitful and has achieved a complete success, thus effectively promoting the development of friendly and cooperative relations between China and the six nations.

Qian Qichen said that Jiang Zemin's visits to the six nations of Spain, Norway, Romania, Uzbekistan,

Kyrgyzstan, and Kazakhstan have enhanced mutual understanding between China and the six nations and deepened the friendship among the people. The visits have achieved fruitful results.

Qian Qichen said that of the three European countries of Spain, Norway, and Romania, one is in southern Europe; another is in northern Europe; the other is in the middle-east European region; some of them are members of the European Union; some are not. China's relations with the three countries have always been good. Although the social systems, ideologies, and development stages of the three countries are different, all of them have attached great importance to further developing, and are willing to further develop, long-term, stable relationship of friendship and cooperation with China on the basis of such principles as mutual respect, equality, mutual benefits, and noninterference in each other's internal affairs.

He said the three countries in central Asia are newly independent countries. As early as 2,000 years ago, the Chinese people maintained close exchanges with the peoples of the three countries through the well-known "Silk Road." After the three countries gained independence, China promptly established diplomatic relations with them. Although the time has not been long, China's friendly cooperation with them in various fields has developed rapidly. Developing long-term, stable good-neighborly relations with various countries in central Asia is an important part of the good-neighbor policy China is pursuing toward neighboring countries.

Summing up the results of President Jiang Zemin's visits to the six nations in Europe and Asia, Qian Qichen said during the visits, China concluded nearly 30 important documents with the six nations, 18 of which were concluded with the three nations in central Asia. These documents have further defined the principles and goals of developing bilateral relations and have also opened up a prospect for cooperation in many specific areas such as economy, trade, judiciary, and transportation.

Qian Qichen particularly pointed out that following the boundary agreements concluded between China and Russia and between China and Kazakhstan and the agreement on strengthening military trust in border areas concluded by China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, China and Kyrgyzstan have concluded a boundary agreement this time. The boundary between China and Kyrgyzstan is more than 1,000-km long. The conclusion of the agreement is of great historical significance.

Qian Qichen also answered other questions posed by Chinese and foreign reporters. Discussing the result of

the presidential election in Russia, Qian Qichen said that Chinese leaders have sent telegrams to Yeltsin to congratulate him on his reelection. President Jiang Zemin, during his visit in a foreign country, has extended congratulations to Yeltsin over the telephone. "We hope that the internal situation in Russia will develop in a stable manner and that the partnership of strategic cooperation between China and Russia which is based on equality and trust and is geared toward the 21st century will continue to develop."

Asked what role China can play in safeguarding and promoting peace and stability in central Asia, Qian Qichen said: China is actively developing good-neighborly relations with various countries in central Asia. This is an important factor for promoting peace and stability in central Asia. China appreciates and supports the efforts made by various countries in central Asia to safeguard national independence and sovereignty and to promote peace and stability in the region. China is actively taking part in the process of multilateral and bilateral dialogues initiated by central Asian countries to promote regional peace, stability, and cooperation, in an effort to jointly explore an effective path toward genuine security and cooperation on an equal basis. China has concluded boundary agreements with Kazakhstan and Kyrgyzstan. It has concluded an agreement with the four countries of Russia, Kazakhstan, Kyrgyzstan, and Tajikistan on strengthening military trust in border areas. This is a basis for China to develop relations of friendship and cooperation with neighboring countries in central Asia and to enhance regional peace and stability. Next, China will join the relevant countries in surveying the boundaries and will start negotiations [tan pan 6151 0445] with them on the mutual reduction of military strength in the border areas. All these show that China is willing to make concerted efforts with various countries in central Asia to safeguard peace and stability in this region.

In response to a question on what effects China's nuclear testing have had on Sino-Kazakhstan relations and on the relations between China and other central Asian countries, Qian Qichen said: "When he addressed the Kazakhstan parliament, President Jiang Zemin expounded the Chinese Government's position on the issue of nuclear testing and stressed that China will suspend [zan ting 2548 0255] its nuclear testing after September this year. China's position has won the support of the leaders and people of various countries in central Asia. China fully understands the concerns of central Asian nations over the possible adverse effects of nuclear testing. We have always adopted a serious attitude in tackling this issue. Long-term monitoring and analysis conducted by Chinese scientists on the environ-

ment around the nuclear testing site indicate that China's nuclear testing did not cause adverse effects to the surrounding environment. This fact has also been proved by investigations conducted by scientists in Kazakhstan and Kyrgyzstan."

Discussing the Chinese Government's attitude toward the activities of national separatist organizations outside China, Qian Qichen said: The Chinese Government is consistently and resolutely opposed to separatist activities against China conducted by a small number of foreigners and national separatists outside China. The leaders of the relevant countries in central Asia have clearly indicated on many occasions their support for the Chinese Government's position and their opposition against national separatist activities. During President Jiang Zemin's visit, the leaders of the three countries in central Asia have reiterated their positions. The Chinese side has expressed its appreciation for this.

When answering questions about China's position on "NATO's eastward expansion" and the participation of central Asian countries in NATO's "Partnership for Peace Program," Qian Qichen said: The strategic structure of Europe has changed greatly since the Cold War ended. Different countries hold different views on what kind of new European security structure should be set up. "We hold that military blocs are the product of the Cold War period. The nature and role of NATO should change correspondingly in order to conform to the current world trends. What action a country takes is its own affair. But for the peace and stability of Europe and the world, a country should also take into consideration the security interests and wishes of the other countries and regions concerned."

When asked about China's position toward the migration question, including the emigration to other countries by ethnic Kazaks in China, Qian Qichen said: It is a universal phenomenon that the people of a nationality live in different countries due to numerous historical reasons. Chinese Kazaks are equal members of the big family of the Chinese nation. Like citizens of other nationalities in China, citizens of Kazak nationality enjoy all political and economic rights stipulated by Chinese laws. Like citizens of other nationalities in China, citizens of Kazak nationality can enter and leave the country and emigrate to other countries, provided they comply with Chinese laws. Illegal migration is opposed by both the Chinese and the Kazak Governments.

Qian Qichen also answered questions about Sino-U.S. relations. He said: On many issues there are common points [gong tong dian 0364 0681 7820] and common interests between China and the United States. Of course, different views also exist on some issues. He

believed that whatever differences and contradictions [fen qi he mao dun 0433 2978 0735 4243 4163] that may exist between the two countries, they can be solved in a proper way so long as both sides stick to the principles of mutual respect, equal consultation, seeking common ground while reserving differences [qiu tong cun yi 3061 0681 1317 8381], and noninterference in each other's internal affairs.

Qian Qichen said: "Of late, some positive progress [ji ji di jin zhan 4480 2817 4104 6651 1455] has been made in Sino-U.S. relations. Not long ago, the two sides reached an agreement [da cheng yi zhi 6671 2052 0001 5268] on the protection of intellectual property rights and other issues. Anthony Lake, national security adviser to the U.S. President, is going to visit China, and I will meet with U.S. Secretary of State Christopher in Indonesia in July when we attend a meeting of foreign ministers of the Association of Southeast Asian Nations. These high-level contacts will be conducive to the improvement of mutual understanding. U.S. leaders have recently delivered separate speeches to indicate that they attach importance to Sino-U.S. relations. We have a high regard for these speeches [yu yi zhong shi 0056 0110 6850 6018]. I am optimistic about [le guan tai du 2867 6034 1966 1653] the prospects for the development of the Sino-U.S. relations."

Discussing the role of the European-Asian continental bridge, Qian Qichen said: The European-Asian continental bridge is a long-term construction project. Speaking from the Chinese side, the railway extends from the east coast of the Pacific to Kazakhstan's Alatau Shankou [Pass] and connects with the railway network leading to Europe. This railway has begun operation. Besides, there are railways and highways which lead to Europe through Iran and Turkey. China, Kyrgyzstan, Kazakhstan, and Pakistan have reached an agreement on highway transit transportation. The countries concerned should make further efforts to effectively utilize the communication network that has already taken shape in order to give full play to the role of the Asian-European continental bridge.

PRC: Li Peng, Others Welcome Jiang Zemin Back From Trip

OW0607100996 Beijing XINHUA in English
0951 GMT 6 Jul 96

[FBIS Transcribed Text] Beijing, July 6 (XINHUA) — Chinese President Jiang Zemin returned here this afternoon after paying a state visit to six countries in Europe and central Asia.

Jiang has visited Spain, Norway, Romania, Uzbekistan, Kyrgyzstan and Kazakhstan since June 23.

Jiang was welcomed back at the Great Hall of the People by Chinese Premier Li Peng, Chairman of the National People's Congress Standing Committee Qiao Shi, Chairman of the Chinese People's Political Consultative Conference National Committee Li Ruihuan, Vice-Chairman of the Central Military Commission Liu Huaqing, and Vice-President Rong Yiren.

Other officials from the Chinese State Council and the Central Committee of the Communist Party of China as well as diplomatic envoys of the six countries also greeted Jiang at the Great Hall of the People.

Jiang's entourage, including his wife Wang Yeping, Vice-Premier and Foreign Minister Qian Qichen and his wife Zhou Hanqiong, Special Assistant Zeng Qinghong, Minister in charge of the State Economic and Trade Commission Wang Zhongyu, and other officials, came back by the same plane.

Qian Qichen said at a press conference in Almaty that Jiang's visit has scored "rich fruits" and has been a complete success.

Qian added that the visit has greatly pushed forward the friendly relations and cooperation between China and the six countries.

During the visit, China and the six countries signed a total of nearly 30 documents, which not only anchored the principles and goals for the development of bilateral relations, but opened up new prospects for the cooperation in economy, trade and other fields, Qian noted.

PRC: Jiang Zemin Says China Ready to Work With Central Asia

OW0507142096 Beijing XINHUA in English
1321 GMT 5 Jul 96

[FBIS Transcribed Text] Almaty, July 5 (XINHUA) — China is ready to work with the Central Asian countries to build a better future of friendship, cooperation and common development, Chinese President Jiang Zemin said here today.

"China stands ready to join Kazakhstan and other Central Asian countries in opening, with an eye on the 21st century, a better future of friendship, cooperation and common development," Jiang said in a speech given at the Kazakh parliament.

Jiang arrived here Thursday [4 July] for a three-day visit. Kazakhstan is the last leg of Jiang's six-nation European and central Asian tour, which has taken him to Spain, Norway, Romania, Kyrgyzstan and Uzbekistan.

In the address, Jiang expressed the hope that China and Central Asian nations "will become good neighbors,

good friends and good partners for ever" by treating each other with good faith and living together in amity.

Jiang said that he hoped the Central Asian countries will enjoy peace, stability and tranquillity, adding that China is willing to take an active part in the various initiatives by the Central Asian countries aimed at promoting peace and security.

He also hoped that China and Central Asian countries will always respect each other, co-exist in peace and refrain from interfering in each other's internal affairs.

"China will continue to support the Central Asian countries in their efforts to safeguard independence and sovereignty and respect the choices they have made for the course of development," he added.

Jiang spoke highly of relations between China and Kazakhstan, which share a border of more than 1,700 kilometers and established diplomatic ties in January 1992.

"The establishment of diplomatic relations ushered in a new historical era in the traditional friendship between our two peoples," he said.

Chinese and Kazakh leaders all attach great importance to enhancing the traditional friendship between the two countries, Jiang said, citing several meetings between him and Kazakh President Nursultan Nazarbayev in recent years.

The two countries have reached broad agreement on bilateral relations and a wide-range of major international issues, Jiang said.

Such agreement has been written into their common political documents and thus laid a firm political and legal basis for a stable and growing bilateral relationship, he added.

With concerted efforts, Jiang said, the Sino-Kazakh friendly cooperation in the politics, economy, science, technology and culture has proceeded smoothly and yielded satisfactory results.

On the Sino-Kazakh border, Jiang said China and Kazakhstan have signed and ratified their border agreement and are about to conduct a boundary survey and put up boundary markers.

He praised the five-nation border agreement signed in the Chinese port city of Shanghai in April 1996 by China on the one hand, and Russia, Kazakhstan, Kyrgyzstan and Tajikistan on the other.

With the signing of the accord and positive progress in their border disarmament talks, Jiang said, "we have

turned our boundary into one of peace, tranquility, friendship and cooperation."

"This is a historic accomplishment that we have made together and one that will have a far-reaching impact throughout the Asian continent," he said.

PRC: Jiang Zemin Begins State Visit to Kazakhstan 4 Jul

OW0607014096 Beijing XINHUA Domestic Service in Chinese 1652 GMT 4 Jul 96

[Roundup: "President Jiang Zemin Arrives in Kazakhstan for a Visit"]

[FBIS Translated Text] Almaty, 4 Jul (XINHUA) — Chinese President Jiang Zemin arrived in Almaty by special plane on the afternoon of 4 July to start a state visit to the Republic of Kazakhstan. President Jiang Zemin read from a prepared statement at the airport: "My current visit will open up new prospects for friendly cooperation between China and Kazakhstan, and these new prospects will bring benefit to the two countries and their peoples."

Jiang Zemin said: Since the establishment of Sino-Kazakh diplomatic relations more than four years ago, the two countries' friendly relations have satisfactorily developed in all fields. Establishing Sino-Kazakh good-neighborly, friendly, mutually beneficial, and cooperative relations on the basis of the five principles of peaceful coexistence and making these relations develop steadily over the long term is the established policy of the Chinese Government. This corresponds to the interests and wishes of the peoples of China and Kazakhstan and is beneficial to peace, stability, and development in Asia and the world.

Kazakh President Nazarbayev held a grand welcome ceremony for President Jiang Zemin in the presidential palace.

That night, President Nazarbayev held a banquet in the government banquet hall to welcome President Jiang Zemin and his entourage. Nazarbayev said: "Kazakhstan and China have a similar saying, which is, 'Neighbors are dearer than distant relatives.' In my opinion, this saying accurately portrays the two countries' present situations and also accurately indicates the prospects for our further cooperation." He added that Kazakhstan regards China as a reliable and powerful neighbor with which it can carry out an equal dialogue, develop a prolonged partnership, and smoothly resolve all problems that come up.

At the banquet, Jiang Zemin pointed out: "China highly treasures its relations with Kazakhstan. In its relations with Kazakhstan, the Chinese Government will, as al-

ways, support Kazakhstan's independence and sovereignty, respect the Kazakh people's choices for social and economic development in accordance with their country's conditions, devote its efforts to developing prolonged, stable, equal, mutually beneficial, friendly, and cooperative relations with Kazakhstan on the basis of the five principles of peaceful coexistence, and seek common prosperity." He believed that, through both sides' common efforts and meticulous care, the flower of friendship between China and Kazakhstan will bloom even more beautifully and colorfully and will bear richer fruit.

Jiang Zemin arrived in Almaty from Bishkek on 4 July after concluding his visit to Kyrgyzstan. President Jiang Zemin and Kyrgyz President Akayev held talks on the morning of 4 July. Jiang

Zemin said: Since the establishment of Sino-Kyrgyz diplomatic relations more than four years ago, the two countries' political relations have continuously deepened, their cooperation in the economic, trade, scientific, technological, cultural, and educational fields has expanded, and both sides are seeking new ways to cooperate. The Chinese side is satisfied with this. China's and Kyrgyzstan's policy on developing good-neighborly, friendly, mutually beneficial, and cooperative relations on the basis of the five principles of peaceful coexistence will not change.

Akayev pointed out that Kyrgyzstan regards China as a strategic partner and highly values the development of relations with China. He said: "We support China's territorial integrity and reunification cause. This stand of Kyrgyzstan will remain unchanged forever."

After the talks, Presidents Jiang Zemin and Akayev signed a joint statement on establishing the basis for the two countries' friendly relations and also signed a Sino-Kyrgyz border agreement. They attended a signing ceremony for six documents on bilateral cooperation between China and Kyrgyzstan. Jiang Zemin pointed out that the signing of the agreement on the Sino-Kyrgyz border was a major event that will benefit our descendants for thousands of years, adding that it will be beneficial to consolidating and developing the two countries' prolonged, stable, good-neighborly, and friendly relations, and to the prosperity and stability of the two countries' border regions.

On the morning of 4 July, President Jiang Zemin also met Cholphonbayev, speaker of the Kyrgyz Legislative Assembly; and Matubraimov, speaker of the People's Representatives Assembly. Jiang Zemin said that China highly values cooperation and contacts between China's people's congress and Kyrgyzstan's assemblies. China's

National People's Congress is willing to maintain frequent contacts with Kyrgyzstan's two assemblies to further strengthen their exchanges and cooperation.

PRC: Jiang Zemin, Nazarbayev Hold Talks in Almaty 5 Jul

OW0507114296 Beijing XINHUA in English
1107 GMT 5 Jul 96

[FBIS Transcribed Text] Almaty, July 5 (XINHUA) — Visiting Chinese President Jiang Zemin said here today that China supports all efforts in safeguarding peace and stability in Central Asia and Kazakhstan's aspiration for joining the process of Asian-Pacific cooperation.

Meeting with his Kazakh counterpart Nursultan Nazarbayev here this morning at the Presidential Palace, Jiang said the Sino-Kazakh relations should be built on the basis of looking toward the future and in the spirit of catering to the need of the two peoples and of serving the interests of the region and the world as a whole.

He said it is the common desire of the peoples of the two countries and the solemn responsibility of their leaders to carefully cultivate bilateral friendly relations and ensure their long-term and stable development.

Nazarbayev fully agreed with Jiang's remarks. "Our bilateral relations are on the basis of lasting trust and the two sides have no problems either in bilateral ties or on international issues," he said.

"Kazakhstan agrees with the Chinese view that the world is heading toward multi-polarization, and supports China's advocacy of building a new just and rational international political and economic order," he added.

He said that relations among countries should be developed on the basis of equality, mutual benefit and non-interference in internal affairs, and that Kazakhstan opposes the monopoly of world affairs by big powers.

Both Kazakhstan and China are facing the task of economic development and need a peaceful and stable world, Nazarbayev said, adding his country is against separatism and supports China's reunification.

He said Jiang's visit to Kazakhstan is the first ever made by a Chinese head of state, which coincides with the fifth anniversary of the establishment of diplomatic relations between the two countries.

"It is a historic event in bilateral relations and will surely give strong impetus to their further development," he added.

He said bilateral relations in recent years have made remarkable headway, with the signing of 15 inter-governmental agreements.

"The five-partite accord on building military trust in border areas signed in April in Shanghai, and the five cooperation agreements to be signed here today all indicate the political desire of the leaders of the two sides for actively enhancing bilateral ties," he added.

Jiang said China holds that the two sides should respect each other's social systems, roads [as received] and models for development, refrain from interfering in each other's internal affairs and settle disputes through consultations on the basis of equality.

"China will as always support Kazakhstan's independence and sovereignty, respect its domestic and foreign policies; China is willing to be a long lasting good friend, good neighbor and good partner," he added.

Jiang said bilateral trade has changed from barter at early times to the present mode of cooperation, but there still remains great potential. He called on the two sides to develop trade and economic cooperation in line with internationally-recognized trade practices.

There remains much to be done to improve the environment for cooperation and investment and provide better economic and legal protection, Jiang said, adding the two sides should encourage to build direct links among trust-worthy and powerful companies of large and medium size of the two countries. [sentence as received]

Both sides should expand the capacity of railway and highway transportation by bringing the Euro-Asian Continental Bridge into full play, he said.

Nazarbayev said Kazakhstan welcomes direct investment from Chinese companies and their efforts to open new cooperation fields.

Jiang arrived here Thursday on a three-day state visit to Kazakhstan, the last leg of his six-nation tour.

The Chinese President had visited Spain, Norway, Romania, Uzbekistan and Kyrgyzstan on his ongoing Euro-Asia trip.

PRC: Qian Qichen Discusses Issue of Ethnic Kazaks

OW0507231596 Beijing XINHUA in English
1830 GMT 5 Jul 96

[FBIS Transcribed Text] Almaty, July 5 (XINHUA) — Ethnic Kazaks living in China can enter and leave the country and emigrate to other countries just as other minority people do, provided they comply with Chinese laws, Chinese Vice Premier and Foreign Minister Qian Qichen said today.

However, illegal migration is opposed by both the Chinese and the Kazakh governments, Qian told a press conference here today.

He said Chinese Kazaks are equal members of China's big family. As other Chinese minorities, they enjoy all political and economic rights stipulated by Chinese laws.

Qian is accompanying President Jiang Zemin on a six-nation tour which is scheduled to end on Saturday.

PRC: Jiang Zemin Notes Reform, Stability Crucial to Economy

*OW0507130596 Beijing XINHUA in English
1234 GMT 5 Jul 96*

[FBIS Transcribed Text] Almaty, July 5 (XINHUA) — Chinese President Jiang Zemin today stressed that the proper handling of the relationship among reform, development and stability is crucial to China's economic growth.

He made the remark in a speech delivered at the Kazakh parliament in which he briefed Kazakh legislators on the current situation in China.

Jiang said that as a developing country with a population of 1.2 billion, China owes its sustained economic growth to the proper handling of the relationship among reform, development and stability.

Development is the goal, reform the driving force and stability the prerequisite of both, he added.

The president noted that without a stable social and political environment, reform can hardly move forward smoothly, neither can economy grow rapidly. Therefore, the Chinese government sets great store by maintaining an overall economic, political and social stability, he said.

While sustaining a high growth, Jiang said, the government also takes care to ensure a steady, coordinated and continuous development so as to avoid violent ups and downs in the national economy.

Moreover, Jiang stated, consistently proceeding from China's realities, the Chinese government has actively promoted reform in the country's economic and political structures, consolidated socialist democracy and legal system in an all-round manner and stepped up development of socialist culture and ethics.

"At the same time, we have tried to adopt a gradualist approach and ensure stability and all-round progress in society by avoiding and minimizing contentious social issues that may accompany the reform," he said.

Jiang also noted that China upholds the principle of ethnic equality and attaches importance to economic and social development in minority-inhabited areas.

The Chinese government safeguards the religious freedom of its citizens while guiding them to live harmoniously under socialism, he added.

Jiang said China's reform and economic development have been given a reliable guarantee, thanks to the overall stability it has maintained. "And progress in reform and economic development has, in return, contributed significantly to stability in all areas."

"The Chinese people, guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, are Marching with full confidence on the road of socialist modernization," he said.

He also told the Kazakh legislators that the policy of reform and opening up, which Chinese people have pursued for 18 years, has produced tremendous success.

Between 1979 and 1995, China's Gross National Product (GNP) has increased at an average rate of 9.9 percent. People's livelihood has improved remarkably.

Income of urban and rural residents has grown at an average annual rate of 6.3 percent. In 1995, China's two-way trade reached 280 billion U.S. Dollars and the foreign exchange reserve now stands at 85 billion dollars.

Jiang arrived here Thursday for a three-day state visit to Kazakhstan, the last leg of his six-nation tour.

PRC: 'Text' of Sino-Kazakhstan Joint Declaration

*OW0607145196 Beijing XINHUA Domestic Service
in Chinese 0846 GMT 5 Jul 96*

[FBIS Translated Text] Almaty, 5 Jul (XINHUA) — Jiang Zemin, President of the People's Republic of China and Nazarbayev, president of the Republic of Kazakhstan, signed a Sino-Kazakh joint declaration on 5 July, the text of which is as follows:

Joint Declaration of the People's Republic of China and the Republic of Kazakhstan

The People's Republic of China and the Republic of Kazakhstan (hereinafter referred to as "the two sides"), on the basis of a common desire to further consolidate and strengthen the existing good neighborly relations and friendship, mutual confidence, and comprehensive cooperation between the two sides and in accordance with the results of the Sino-Kazakh Almaty summit, have issued a declaration as follows:

1. The two sides reiterate their adherence to the principles enshrined in the Sino-Kazakh communique on the

establishment of diplomatic relations issued on 3 January 1992, the Sino-Kazakh Joint Communiqué issued on 26 February 1992, the Sino-Kazakh Joint Declaration issued on 18 October 1993, and the Sino-Kazakh joint declaration issued on 11 September 1995. They are determined to elevate Sino-Kazakh good-neighborly relationship, friendship, and mutually beneficial cooperation to a new level of cooperation and partnership geared to the 21st century, in the belief that such relations will not only benefit the fundamental interests of the two peoples but also help maintain peace, stability and promote development of Asia and the world at large.

2. The two sides agree to maintain regular political dialogues and consultations at various levels including the highest level in the belief that they are essential for further enhancing Sino-Kazakh relations.

3. The two sides agree that further consolidating an atmosphere of peace, good neighborliness, and cooperation in the border regions of the two countries is conducive to strengthening Sino-Kazakh mutual confidence and mutual understanding as well as regional security and stability. For this reason, the two sides pledge to implement their border demarcation accord signed on 26 April 1994; they agreed to start at an early date the work of conducting a boundary survey and erecting boundary markers pursuant with provisions of that accord, and continue negotiations on remaining problems. The two sides speak highly of the five-nation border agreement on confidence-building in the military field in border areas which was signed by China, Kazakhstan, Russia, Kyrgyzstan, and Tajikistan on 26 April 1996. The two sides will take practical measures to implement the agreement and accelerate the work on an agreement on mutual disarmament in the border areas.

4. The two sides reiterate that they are opposed to national separatism in any form and they will not permit any organizations and forces to engage in separatist activities in their respective territories against the other side.

5. The two sides agree that economic cooperation and trade are a key component in Sino-Kazakh relations. The potential for economic ties and trade between the two countries is tremendous. The two sides pledge to further expand and develop, on the basis of equality and mutual benefits, bilateral economic and trade cooperation by taking advantage of their geographical proximity and economic complementarity, raising them to a level corresponding to their friendship and economic potentials.

6. China reiterated her government's declaration of providing security guarantees for Kazakhstan and expressed her respect and support for all the efforts made by the Republic of Kazakhstan in safeguarding its inde-

pendence, sovereignty, and territorial integrity, in maintaining political stability, and in developing its national economy.

Kazakhstan said it recognizes the government of the People's Republic of China as the sole legal government of China and Taiwan as an inalienable part of China. It promised that it would not establish any form of official relations or have official contacts with Taiwan.

7. The two sides agree that mutual respect and equality is a cardinal principle for maintaining and developing normal state-to-state relations. In today's world, all nations, big or small, have the right to participate in international affairs on an equal footing and to choose their own social system and mode of development.

The two sides urge all nations to join efforts in establishing a just and rational new international political and economic order in accordance with universally recognized norms of international law including mutual respect for sovereignty and territorial integrity, mutual nonaggression, non-interference in each other's internal affairs, equality and mutual benefit.

8. The two sides call for a complete ban and elimination of all weapons of mass destruction including nuclear weapons, and for the conclusion of the Comprehensive Nuclear Test Ban treaty as soon as possible.

They urge all nuclear powers to undertake not to use nuclear weapons first and not to use or threaten to use nuclear weapons against non-nuclear countries and regions.

9. The two sides maintain that the Asia-Pacific region is enjoying stability and fast economic growth, and will have an important role to play in the next century. They urge Asia-Pacific nations to strictly abide by the principles of mutual respect, equality, good neighborliness, and non-interference in any form in other countries' internal affairs in their nation-to-nation relations. Actions taken by any country or a bloc of countries should be conducive to the common interests of the countries or regions involved, and to peace and development in the Asia-Pacific region and the entire world. The two sides note that all disputes between Asian-Pacific nations should be settled through negotiations in the spirit of friendly consultations and mutual understanding and accommodation; there should be no use of force or threat of force.

10. To enhance mutual understanding and confidence between peoples of the Asian-Pacific nations and to strengthen regional security and cooperation, the two sides maintain that, proceeding from the reality that the

region is composed of diverse types of countries, nations in the region should step up bilateral or multi-lateral negotiations on regional security issues. In line with this position, China pledges energetic support for Kazakh President Nazarbayev's proposal for measures concerning cooperation and mutual confidence in the Asia-Pacific region. China and Kazakhstan will continue devoting themselves to developing bilateral and multi-lateral dialogue and cooperation in the Asia-Pacific region.

11. The two sides stand for continuously enhancing friendly exchanges between peoples of the countries in the Asia-Pacific region to enhance their mutual understanding and confidence; they are against instigation of contradictions between states, ethnic groups, and religions.

12. The two sides maintain that it is important for Asian nations to step up coordination and cooperation in fighting international terrorism, organized crime, drug trafficking, smuggling, and other criminal activities. The two sides are ready to explore effective ways for intensifying bilateral or multilateral cooperation in this area.

13. The two sides maintain that preserving peace, stability, and development in Central Asia and enhancing bilateral and regional economic cooperation conform not only to the common wishes and fundamental interests of peoples in the region but are also of great significance for the safeguarding of peace in Asia and the world over. The two sides support all efforts by Central Asian nations in promoting regional security, stability, and cooperation.

14. The two sides agree to further enhance consultations on regional and international issues and to cooperate within the scopes of the United Nations and other international organizations to facilitate the settlement of pressing regional and international matters.

[Signed] Jiang Zemin, PRC president

[Signed] Nazarbayev, president of the Republic of Kazakhstan

In Almaty on 5 July 1996.

PRC: Kazakh Foreign Minister Comments on Sino-Kazakh Relations

OW0607104296 Beijing XINHUA in English
1017 GMT 6 Jul 96

[FBIS Transcribed Text] Alma Ata, July 6 (XINHUA) — Chinese President Jiang Zemin's visit to Kazakhstan is of historical significance, which will lead the two countries into the 21st century with a new type of

bilateral relations, Kazakhstan's top diplomat said here today.

Kazakh Foreign Minister Kasymzhomart Kemelevich Tokayev [name as received] made the remarks at the airport after Jiang ended his visit to Kazakhstan.

Kazakhstan is satisfied with the documents signed during Jiang's fruitful visit, especially the joint declaration signed by the two presidents, Tokayev said.

He added that the visit, the first ever by a Chinese top leader to Kazakhstan in history, has yielded tremendous positive results.

He said that leaders of the two countries have brought the bilateral relations to a new stage, which means that Sino-Kazakh ties will be turned into a constructive and cooperative partnership at the turn of the century.

Tokayev is pleased with China's understanding of and support for Kazakhstan's foreign policy and the policy of safeguarding its sovereignty and territorial integrity.

Kazakh Ambassador to China Kuanysh Sultanovich Sultanov spoke highly of Jiang's speech at the Kazakh Parliament, saying it has received positive reactions in the country.

With the development of their bilateral relations, said the ambassador, the economic cooperation between the two countries will also enter a new stage.

PRC: Jiang Zemin Holds Talks With Kyrgyz President Akayev 4 Jul

OW0507123596 Beijing XINHUA Domestic Service
in Chinese 0856 GMT 4 Jul 96

[By reporters Ju Mengjun (0215 1322 6511) and Zhang Tiegang (1728 6993 6921)]

[FBIS Translated Text] Bishkek, 4 Jul (XINHUA) — Visiting Chinese President Jiang Zemin held talks with his Kyrgyz counterpart Askar Akayev in the presidential residence on the morning of 4 July. Both sides agreed to develop a new type of good-neighborly, friendly, and cooperative relations looking toward the 21st century.

Akayev warmly welcomed Jiang Zemin's visit. He said: "We attach great importance to President Jiang Zemin's visit, which is the first top-level visit paid to Kyrgyzstan by a great neighboring country."

Akayev said: Kyrgyzstan was, is, and will be China's good neighbor and partner. This is the firm wish of the Kyrgyz people. He stated: A series of important documents to be signed by Kyrgyzstan and China will help open broader prospects for further development

of the relations of cooperation in various fields of endeavor.

Jiang Zemin said: Since China and Kyrgyzstan established diplomatic ties four years ago, the governments of the two countries have continuously deepened their political relations, expanded their cooperation in such fields as economy, trade, science and technology, culture, and education, and are now exploring new ways in this regard. The Chinese side is satisfied with all these and highly values the contributions made by President Akayev in this endeavor.

Jiang Zemin stressed: Developing long-term good-neighborly relations with neighboring countries is China's basic policy. No matter how the world situation changes, China's policy of developing neighborly, friendly, mutual-beneficial, and cooperative relations with Kyrgyzstan on the basis of the Five Principles of Peaceful Coexistence will not change.

He said: Leaders of our two countries should approach and handle bilateral relations by basing ourselves on the 21st century and map out long-term, stable friendly and cooperative relations with solid concrete actions. Both sides should respect each other, enhance confidence, and treat each other on an equal footing. Although the two countries' national conditions are different, China and Kyrgyzstan will not work to impose each's own will and conceptions on the other and not carry out any activities which are directed against the other and harmful to the other's independence and sovereignty. In international affairs, the two countries should strengthen consultations, support each other, and closely cooperate with each other.

Jiang Zemin said: "We are willing to continue to maintain close contacts with Kyrgyzstan at all levels, frequently exchange information and views on matters of mutual concern, enhance mutual understanding and confidence, and promote the continued development of bilateral relations."

Akayev said: Kyrgyzstan regards China as a partner with strategic significance. As an old Chinese saying goes, "Neighbors are dearer than distant relatives." Therefore, Kyrgyzstan attaches great importance to developing relations with China.

He said: "As I see it, a prosperous China is an important factor of world security and stability. Kyrgyzstan is firmly opposed to national splittism and will not allow any splittist activities directed against China. We support China's territorial integration and the cause of reunification. This position of Kyrgyzstan will never change." Jiang Zemin thanked him for this.

While talking about economic and trade cooperation, Jiang Zemin said: Economic and trade cooperation between China and Kyrgyzstan has made considerable progress, with trade volumes being on an upward momentum. Practice over the last few years has proven: China and Kyrgyzstan have strong points in and potentials for developing their economic and trade relations. Both sides should further explore new forms and new fields of cooperation and promote direct cooperation between large enterprises which have actual strength and good fame of the two countries so that they will become the main force for economic and trade cooperation between the two countries, and promote investments in each other country.

Agreeing with this proposal, Akayev said: "We have made great advances in cooperation in the economic and trade fields. Governments of the two countries should encourage more enterprises to cooperate. I am convinced that President Jiang Zemin's current visit will surely help uplift our two countries' economic and trade cooperation to a new height."

The presidents of China and Kyrgyzstan highly spoke of the signing of the Sino-Kyrgyz agreement on the border issue. Jiang Zemin pointed out: This is a great event in bilateral relations, a great service done by the people in the contemporary age which will benefit people throughout the ages. The agreement is conducive to the consolidation and development of long-term good-neighborly and friendly relations between China and Kyrgyzstan as well as to prosperity and stability in their border areas.

When discussing the communications and transportation issue, both presidents unanimously agreed: It is of great importance to the development of economic and trade cooperation between China and Kyrgyzstan to smooth out [li shun 3810 7311] communications and transportation. Jiang Zemin said: The agreement on road transit transportation signed by China, Kyrgyzstan, Kazakhstan, and Pakistan has officially come into effect. Both presidents believed: Through the concerted efforts of various parties, the ancient "Silk Road" will become a three-dimensional communications network, which will create more convenient conditions for contacts and cooperation between China and Kyrgyzstan and between different countries in this region.

The two presidents unanimously agreed that both sides will cooperate in such fields as mining, oil and natural gas, and electric power.

Jiang Zemin invited his counterpart Akayev to visit China at his own convenience and the latter said that he hopes very much for another visit to China to see

with his own eyes the new achievements China scored in its economic construction.

PRC: 'Text' of Sino-Kyrgyzstan Joint Declaration

OW0507135596 Beijing XINHUA Domestic Service in Chinese 0719 GMT 4 Jul 96

[FBIS Translated Text] Biskek, 4 Jul (XINHUA) — Jiang Zemin, president of the People's Republic of China, and Akayev, president of the Republic of Kyrgyzstan, signed a joint declaration of the two countries here on 4 July, the text of which is as follows:

Joint Declaration of the People's Republic of China and the Republic of Kyrgyzstan, the basis for friendly relations

Based on the common desire to consolidate and strengthen the traditional friendship between the peoples of the two countries, the People's Republic of China and the Republic of Kyrgyzstan (hereinafter referred to as "both sides") point out with satisfaction that since Akayev, president of the Republic of Kyrgyzstan, visited China in May 1992, bilateral relations have made considerable progress; firmly believe that the visit to the Republic of Kyrgyzstan by Jiang Zemin, president of the People's Republic of China, will elevate the relations between the two countries to an entirely new level; are deeply convinced that further strengthening good neighborliness and mutually beneficial cooperation between China and Kyrgyzstan accords with the basic interests of both the Chinese and Kyrgyz peoples and will be conducive to maintaining peace, stability, and security in Asia and the world over; and reiterate that they will scrupulously abide by the 5 January 1992 joint communique on the establishment of diplomatic relations between China and Kyrgyzstan, and the principles set by the 16 May 1992 Sino-Kyrgyzstan joint communique, as well as the purposes and principles of the United Nations Charter; and state that:

1. The People's Republic of China and the Republic of Kyrgyzstan look upon each other as a friendly neighbor and are willing to develop a relationship of good-neighborliness, friendship, mutual benefit, cooperation and long-term stability between the two countries, a relationship which is aimed at the 21st century, on the basis of mutual respect for sovereignty and territorial integrity, mutual non invasion, mutual non interference in each other's internal affairs, equality and mutual benefit, peaceful coexistence, and in accordance with universally recognized norms of international law.

2. Both sides will not participate in any military or political alliance; will not conclude any treaty or agreement with a third country aimed at the other party;

will not allow its territory to be used for engaging in any activities aimed at endangering the sovereignty, security, and public order of the other country.

3. Both sides will maintain regular contacts and dialogues of various levels including the highest level, consult with each other on bilateral and multilateral issues as well as international and regional issues of common interest, and handle emerging problems on the basis of universally recognized norms of international law and in the spirit of mutual respect, equality, and mutual benefit. The foreign ministries of the two countries will maintain close contacts and active cooperation within the scopes of the United Nations and other international organizations.

4. Both sides will further strengthen cooperation in politics, economy, trade, science, technology, culture, education, health care, mass media, tourism, and sports on the basis of equality and mutual benefit. The governments of the two countries will create the corresponding conditions for cooperation in the fields mentioned above.

5. Both sides will further expand and develop bilateral economic and trade cooperation by making full use of the unique advantages that the two countries are close together and that their economies are complementary. Within the scope of their corresponding laws and bilateral agreements, each side will encourage the other to invest in each other's country, protect each other's investment, provide each other with most-favored-nation trading status, promote and develop cooperation between the various departments and enterprises of the two countries, encourage various kinds of economic cooperation, and create economic, financial, legal and other favorable conditions, as well as provide necessary support for such cooperation. Both sides will strengthen coordination of the Sino-Kyrgyzstan Inter-Governmental Committee for Economic and Trade Cooperation and promote the role of economic ties between the two countries.

Both sides will consider giving priority to cooperation in the fields of mining, energy, electronics, transportation, telecommunication, light industry, food processing, agriculture and construction. At the same time, they will attach importance to big projects in the field of production.

Both sides share many common viewpoints in the aspect of carrying out reform and will exchange experiences and information in this respect.

6. To improve the infrastructure of transportation, both sides will further develop and deepen cooperation in

highway, railway, and air transportation, and will offer convenience in using each other's air and sea ports.

7. Both sides maintain that developing the exchanges and cooperation between the borders and regions of the two countries is conducive to strengthening the Sino-Kyrgyzstan relationship of good-neighborliness, mutual benefit, and cooperation. Both sides are willing to make common efforts to enable this type of exchange and cooperation gain state support and to promote their healthy and effective development.

8. Both sides will encourage the military departments of the two countries to establish and develop ties and conduct military exchanges in accordance with general international practice, so as to strengthen mutual trust and cooperation in the military field. Both sides are willing to conduct cooperation in military technology on the basis of equality and mutual benefit.

9. The two sides will develop their inter-parliamentary ties and exchange their legislative experiences.

10. The two sides agreed to continue to work for improving and strengthening the legal basis for their cooperation treaties and effectively implement the existing agreements and treaties.

11. The two sides will cooperate in fighting international terrorism, organized crime, drug trafficking, smuggling, and other criminal activities.

12. The two sides will carry out active cooperation in rendering judicial assistance on civil and criminal matters, and make sure the citizens of one side can enjoy their privileges in the other side in accordance with the existing bilateral agreements and their respective international obligations.

13. The two sides maintained that environmental protection is an important global issue, and decided to strengthen bilateral and multilateral cooperation in this area.

14. The two sides spoke highly of the Sino-Kyrgyzstan border agreement that has been signed, maintaining that this historic document is proof of the two countries' good-neighborly and friendly relations. They agreed that, in line with the spirit of consultations on an equal footing and of mutual concession and mutual understanding, they will continue to negotiate on border areas for which an agreement has yet to be reached so that a fair and rational solution can be found as quickly as possible on the basis of the two countries' current border treaty and in light of universally international guiding principles.

15. The two sides maintained that the agreement which China signed with Kyrgyzstan, Russia, and Tajikistan

on 26 April 1996 about increasing trust in the military sphere along border areas is conducive to consolidating the positive development of the post-Cold War international situation, and decided to implement that agreement with practical and effective measures.

The two sides pledged that they would continue to work hard to draw up an agreement as quickly as possible on mutual reduction of military forces along border areas, and that the forces retained after the reduction will only serve defensive purposes.

16. The government of the Republic of Kyrgyzstan reiterated that the PRC Government is the only legitimate government of China and Taiwan is an inseparable part of Chinese territory. The government of the Republic of Kyrgyzstan affirmed that it would not establish any form of official relations or official contacts with Taiwan.

The Chinese side reaffirmed that it would always support the efforts made by the Republic of Kyrgyzstan for the sake of safeguarding its independent sovereignty and territorial integrity, developing and consolidating its national economy, and maintaining its domestic stability.

17. The two sides were against any form of ethnic separatism and instigation of contradictions between states, ethnic groups, and religions; and they will not permit any organizations and forces to engage in separatist activities in their respective countries against the other side.

18. The two sides will make all-out efforts to promote peace, stability, development, and prosperity in the Asia-Pacific region and the world at large; and will consult and cooperate with one another and other countries for this objective.

19. The two sides held that keeping conventional weapons at a level not exceeding the need of self-defense is conducive to consolidating Asian stability and security. The two sides will work hard for the total prohibition and complete destruction of weapons of mass killing.

20. The development of good-neighborly, friendly, and mutually beneficial cooperative relations between the PRC and the Republic of Kyrgyzstan is neither targeted at any third country, nor will it hinder the two sides from undertaking their obligations according to bilateral treaties the two sides have signed with other countries or multilateral treaties to which they have acceded.

[Signed] Jiang Zemin, PRC president

[Signed] Akayev, president of the Republic of Kyrgyzstan

In Bishkek on 4 July 1996

PKC: Jiang Zemin Visits Aircraft Factory in Uzbekistan 3 Jul

OW0807112696 Beijing XINHUA Domestic Service in Chinese 1723 GMT 3 Jul 96

[Special article by XINHUA reporter Ju Mengjun (0215 1322 6511) and Gao Xinghua (7559 5281 5478): "President Jiang Visits Aircraft Factory"]

[FBIS Translated Text] Tashkent, 3 July (XINHUA) — Located at Tashkent's eastern suburbs, in the (Chikalov) [qi ka luo fu 1148 0595 3157 1133] Aircraft Factory there was a festive air today, with colored flags fluttering in the breeze and cheers and pleasant remarks heard everywhere in the factory.

Accompanied by Uzbek President Islam Karimov, full of zest President Jiang Zemin, who had just concluded talks with Uzbek leaders, visited the famous aircraft factory and was given a warm welcome by the factory's leaders and representatives of employees.

The factory is a 60-year-plus old enterprise. Chikalov was the name of a test pilot during the early period of the factory's construction. He completed arduous tasks many times and later on he unfortunately died in the course of performing his duty in a trial flight. Therefore, the factory was named after him and his statue was erected at the center of the factory area.

(Kuchero) [ku qie luo fu 1655 0434 5012 1133], general manager of the factory, looked especially excited at the Chinese guests' visit. According to his briefing, the Chikalov Aircraft Factory is one of the three largest aircraft production bases of the former Soviet Union and the largest aircraft manufacturing enterprise in the Central Asian region. It grew out of a civil aircraft repairing factory, which was built in (Shimukah) [xi mu ka he 1585 1191 0595 6378], a small town in Moscow's suburbs, in 1933 and later it was removed to the present site and gradually developed into a large integrated enterprise mainly producing transport planes. At the assembling workshop, President Jiang Zemin carefully acquired information about the main process of production. President Jiang frequently asked Kuchero in Russian of technical issues. In front of a large installation, Jiang Zemin told his accompanying personnel: "This installation is used for weightlessness training among astronauts."

Kuchero briefed Jiang Zemin on the new-type IL [yi er 0122 1422] -76MD plane. He said: The new-type plane body is 6.6-meter longer than the existing one, with various indexes improved by 25 percent. Jiang Zemin mounted a freshly painted IL-76MD large transport

plane and looked carefully at the cabin. A mechanist demonstrated on the spot the process of opening and closing the cabin for the guests. Jiang Zemin asked: "what is the plane's maximum payload?" and Kuchero replied: "it is 52 tonnes." Having a great interest in the plane, Jiang Zemin made inquiries on such issues as the number of engines in the plane and their power.

President Jiang Zemin said to reporters that he was very pleased to visit the Chikalov Aircraft Factory, which produces very good aircraft. He was convinced that China and Uzbekistan have broad prospects in economic cooperation. President Karimov also stated that the two countries have very great potential for cooperation and President Jiang Zemin's current visit will surely help promote bilateral cooperation.

The Chikalov Aircraft Factory has cooperative relations with China. General Manager Kuchero said: "President Jiang Zemin's current visit to this factory will help further deepen the cooperative relations between us and China."

PRC: Jiang Zemin, Li Peng Send Separate Messages to Yeltsin

OW0507172096 Beijing XINHUA in English 1700 GMT 5 Jul 96

[FBIS Transcribed Text] Beijing, July 4 (XINHUA) — Chinese President Jiang Zemin and Premier Li Peng today sent separate messages of congratulations to Russian President Boris Yeltsin on his victory in the presidential election.

"Please accept my heartfelt congratulations on the occasion of Your Excellency's re-election as Russia's president," Jiang said in a message.

"Sino-Russian relations have thrived in recent years and Your Excellency has given a direct and strong push to their healthy development.

"I believe that the traditional friendship of the two peoples and the 21st century-oriented strategic partnership between the two countries can develop permanently and more profoundly.

"Through the joint efforts of the two countries and peoples, China and Russia will definitely realize the goal of everlasting neighborly friendship, mutual respect and trust, equal and mutually-beneficial cooperation and common development and prosperity," the Chinese president said.

In a separate message, Li said, "I extend my warmest congratulations to you on the occasion of your re-election as Russian president."

Contacts and cooperation between the two governments and peoples have yielded satisfactory results, Li noted.

Yeltsin is poised to be the next Russian president after winning Wednesday's second round of presidential elections.

With nearly 54 percent of the vote, he led his political rival Gennady Zyuganov by more than 13 percentage points with over 99 percent of the votes counted.

The two men entered Wednesday's run-off after beating eight other candidates but failing to win more than 50 percent of the votes in the first round election held on June 16.

PRC: Qian Qichen Comments on Yeltsin's Election Victory

OW0507232796 Beijing XINHUA in English
1832 GMT 5 Jul 96

[FBIS Transcribed Text] Alma-ata, July 5 (XINHUA) — Chinese Vice Premier and Foreign Minister Qian Qichen said here today China hopes the domestic situation in Russia develops steadily following Boris Yeltsin's victory in the presidential election.

Qian told a press conference here today that Chinese leaders have sent messages of congratulations to Yeltsin. President Jiang Zemin, who is on a six-nation European and central Asian tour, called Yeltsin in person to congratulate him on his victory.

"We hope the equal, trusting, 21st-century-oriented strategic partnership between China and Russia will continue to develop," Qian said.

Qian is accompanying Jiang on a six-nation visit, which is scheduled to end Saturday.

PRC: Russia's Primakov Meets Foreign Affairs Delegation

OW0807042396 Beijing XINHUA Domestic Service in Chinese 0150 GMT 5 Jul 96

[FBIS Translated Text] Moscow, 4 Jul (XINHUA) — On 4 July in Moscow, Seleznev, speaker of the Russian State Duma, and Russian Foreign Minister Primakov separately met with Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, and had friendly conversations with him.

Primakov said Russian-Chinese relations have never been as good as they are now. While speaking of President Yeltsin's successful visit to China last April, he pointed out that the "Sino-Russian Joint Statement" and other documents signed in Beijing by leaders of the two countries have great significance for establishing

and developing strategic cooperation and partnership relations between the two countries.

At the meeting, Seleznev said Russia is willing to maintain friendly relations with China and all Russian political parties hold an identical view on Russia's policy toward China.

At the invitation of the Russian Institute of Foreign Policy, a delegation of the Chinese People's Institute of Foreign Affairs led by Liu Shuqing arrived in Moscow on 1 July for a visit. During the delegation's stay in Moscow, Liu Shuqing also met with Rybkin, chairman of Russia's Political Consultative Council, and Ruzhin [name as transliterated], chairman of the Foreign Affairs Committee of the Russian State Duma.

Northeast Asia

PRC: Red Cross Official Describes Famine Condition in DPRK

OW2906065596 Hong Kong AFP in English
0641 GMT 29 Jun 96

[FBIS Transcribed Text] Beijing, June 29 (AFP) — A Red Cross official painted a bleak picture Saturday [29 June] of the disaster situation in North Korea, where hundreds of thousands of children are having to survive on a diet well below the minimum subsistence level.

While the severity of the situation will be partially eased after the October harvest, long-term problems abound following the destruction of much of the country's irrigation network and flood damage that could require a total overhaul of the agricultural system, said Geoff Dennis, Pyongyang representative of the International Federation of Red Cross and Red Crescent Societies.

Flooding triggered by the country's heaviest rainfall in living memory in August last year affected 5.2 million people and devastated 400,000 hectares (988,000 acres) of farmland, according to Red Cross estimates.

Among the 500,000 people targeted by Western agencies as those most in need, four to six-year-olds are getting as little as 38 percent of the recognised emergency level calorie intake.

"That means their growth will inevitably be stunted in later life," Dennis said, adding that the 130,000 people under the responsibility of the Red Cross were only receiving three bowls of rice a day.

"That is certainly below subsistence level," Dennis said.

"It's work on a knife edge, as we only have enough money to order rice one month in advance, and I have only just managed to seal the order for July's supply."

said Dennis, who arrived in Beijing Saturday to lobby foreign embassies here for more funds.

In the absence of the kind of heart-rending television footage the world has come to expect of famine-hit countries, overseas aid has been disappointing — a fact that rankles with the aid agencies.

"In the past we have been criticised for not acting fast enough. In this case we have moved quickly and there is an excellent chance to avert a major disaster, but nobody seems to be that interested," Dennis said.

The Red Cross needs between two and three million dollars to maintain its current level of food aid until October, but wants five million dollars in order to raise support to the subsistence level.

The North Korean Government has admitted that the October harvest will be down between 10 and 20 percent on the 1994 figure, although Dennis said he believes that estimate is optimistic given the intensive damage to arable land caused by the flooding.

"It's going to take three or four years to get the land back into shape in many areas, which basically means a rethink of the country's entire agricultural system."

Another growing problem is deforestation, especially in the north of the country, where starving farmers are cutting down trees and selling the timber across the border with China to get money for food.

Aid agencies, especially UNICEF, were also increasingly fearful about epidemics among children of famine-related diseases such as measles and diarrhoea which have already been reported in the country, Dennis said.

After the October harvest has been brought in, the Red Cross hopes to move away from basic food aid and implement longer-term programmes, including disaster prevention projects.

PRC: Liaoning Governor Receives DPRK Guests

SK0307120496 Shenyang LIAONING RIBAO
in Chinese 11 Jun 96 p 1

[By reporter Sun Desheng (1327 1795 3932)]

[FBIS Translated Text] On the evening of 10 June, Governor Wen Shizhen met with the DPRK Foreign Affairs Ministry delegation, headed by Choe U-chin, vice minister of foreign affairs, at the Youyi Guesthouse in Shenyang.

During the meeting, Wen Shizhen first extended his greetings to the DPRK guests. He held that the relationship between China and the DPRK was created personally by the old-generation revolutionaries of the two countries — Chairman Mao Zedong and President

Kim Il-song. We have seen for ourselves that our brothers, the DPRK People, under the leadership of the great leader, Comrade Kim Chong-il, are continuing to forge ahead on the road of socialist revolution and construction, and we feel heartfelt happiness about it. He expressed the view that it is imperative to further reinforce the friendly and cooperative relationship with North Pyongan Province of the DPRK.

Choe I-chin expressed his cordial gratitude to Wen Shizhen's reception, and also expressed his thanks for the disinterested assistance rendered by the people of Liaoning when the DPRK was hit by floods last year.

Zhang Ruming, director of the Provincial Foreign Affairs Office, and Han Chol, DPRK consul general to Shenyang, were also present at the meeting.

***PRC: Examination of Factors Affecting PRC-ROK Relations**

96CM0394A Beijing SHIJIE JINGUI YU ZHENGZHI
in Chinese 1 Feb 96 No 2, pp 52-56

[Article by Zhang Ying (1728 5391), affiliated with the Jilin Province Academy of Social Sciences' North and South Korean Institute: "The Status Quo and Development Prospects of PRC-ROK Relations"]

[FBIS Translated Excerpt][Passage omitted]

III. An Analysis of the Promoting and Limiting Factors in PRC-ROK Relations

At present, the friendly relations between China [the PRC] and South Korea [the ROK] have a good foundation, as well as the terms for further development, as both we Chinese and the South Koreans have factors promoting the continued advance and development of the relationship.

1. From ancient times, China and Korea have had a especially close relationship. As to cultural traditions, China has always held a central position in Asian culture, having a crucial influence on Korea. In the words of a South Korean scholar, China and Korea belong to the same Han [nationality] and Confucian [philosophy] cultural group. As to international politics, China is a country with a decisive influence not only in Asia, but also throughout the world, having a particularly undeniable influence over matters such as the stability of the Korean Peninsula and Northeast Asia and the developments in the reunification of the Korean Peninsula. All of which is driving South Korea to emphasize the development of relations with China.

Due to its economic development success, the ROK has leapt into the ranks of moderately developed nations. In 1994, its GNP reached \$376.9 billion, with its

per capita GNP at \$8,483, making it the world's 11th ranking economic power. (Footnote 1) (South Korea HAN-KUO JIH-PAO [SOUTH KOREAN DAILY], 16 March 1995.) And in 1994, South Korea's foreign trade reached \$192.8 billion, making it the world's 12th ranking trade power. (Footnote 2) (Ibid, 1 January 1995.) So with its increased economic might having raised South Korea's international standing, South Korea has now become a country with crucial international influence. And China similarly stresses the development of relations with South Korea. So it is precisely this identical recognition by China and South Korea of the importance of developing the bilateral relationship that has become the most significant driving factor in the rapid in-depth development of PRC-ROK relations.

2. The identical or similar positions of China and South Korea on significant international issues is a crucial factor promoting the development of PRC-ROK relations.

As to the matter of the denuclearization of the Korean Peninsula, both countries hope to keep the Korean Peninsula stable and nonnuclear. "The Chinese Government sincerely hopes for the long-term peace and stability of the Korean Peninsula, supporting its denuclearization." (Footnote 3) (In a statement by Chairman Jiang Zemin in talks with President Kim Young Sam, China RENMIN RIBAO [PEOPLE'S DAILY], 29 March 1994.) The South Korean Government announced on 8 November 1991 that it was pursuing the "five principles" of no manufacturing, possession, stockpiling, deployment, or use of nuclear weapons, as well as declaring on 18 November [1991] that all nuclear weapons had been removed from South Korea. As South Korea's position on a nuclear-free Korea is completely identical with China's, that will have crucial significance in keeping the Korean Peninsula stable and peaceful.

In recent years, Western nations such as the United States have been using the human rights issue as a pretext for interfering in the domestic affairs of other countries. At the recent UN Human Rights Conference, when the United States once again used the so-called human rights issue against China, South Korea abstained from voting for the Western motion involving China. Premier Li Peng said that "we are thankful for South Korea's abstention in support of us." (Footnote 4) (Ibid, 13 March 1995.)

3. The economic relations and trade dependence between China and South Korea is a crucial factor driving the development of PRC-ROK relations.

Since instituting our reform and opening policy, as China has been actively developing economic and trade relations with all countries throughout the world,

we have been naturally paying particular attention to doing so with our economically strong neighbor South Korea. In particular, as South Korea began to develop its economy earlier than China, the potential for cooperation between our two countries exists in many areas, which is another factor in the rapid development of PRC-ROK economic and trade relations.

Since the 1980's, South Korea has carried out a large-scale adjustment of its economic structure. Its rapidly growing trade surplus with the United States has touched off sharp South Korean-U.S. trade friction. And as its steadily growing trade deficit with Japan has never been resolved, South Korean-Japanese economic conflicts are becoming worse. So to further develop its economy, South Korea has started to adjust its former policy of over dependence on the United States and Japan in economic relations and trade, actively developing relations with the so-called North countries of China and Russia. As South Korea has placed its hopes on China's rich resources and vast markets, with many South Korean businessmen and economists predicting that by the beginning of the next century, China will have passed the United States and Japan to become South Korea's top economic relations and trade partner, South Korea is consequently emphasizing the development of relations with China.

In addition, matters such as China's relations with North Korea, and the bridging role that China can play in North-South relations on the Korean Peninsula, are also factors in South Korea's emphasis on developing relations with China.

But while noting the factors that are driving the development of PRC-ROK relations, we also need to recognize that certain factors still exist that are obstructing the development of PRC-ROK relations.

1. South Korea is wary about China's rapid economic development, with some South Koreans holding the [erroneous] view that the Chinese economy poses a "threat" to the South Korean economy.

There are roughly two causes of this view. a) There is sharp competition between Chinese and South Korean goods on both the international market and the domestic South Korean market. And countries and regions such as the United States, Japan, and Hong Kong are key export markets of both China and South Korea. In these markets, Chinese and South Korean goods are competing very sharply, with Chinese goods often being more competitive than South Korean ones. The data shows that of the 10 leading South Korean exports to the United States, except for steel and raw yarn, the other eight are all losing U.S. market shares, while China's 10 leading exports to the United States are gaining U.S. mar-

ket shares. (Footnote 5) (Japan NIPPON CHING-CHI SHIMBUN [JAPAN ECONOMIC NEWS], 7 September 1992.) And such is the case on the Japanese and Hong Kong markets. Which is not the whole extent of the matter as, even in the South Korean domestic market, certain Chinese goods are also more competitive than South Korean ones, particularly certain farm and sideline products. For instance, as Chinese-made vermicelli [made from bean starch, etc.], even with a high 100-percent tariff, is still cheaper than Korean-made vermicelli, it is quickly taking over the South Korean market. So sectors such as the Central Board of the South Korean Farmer's Association are clearly advocating that South Korea either do all that is possible to limit imports of Chinese farm and sideline products by taking harsh inspection steps against their access to the South Korean market, or by requiring that Chinese farm and sideline products be labeled made-in-Korea before being sold there.

b) Some South Korean figures fear that PRC-ROK economic cooperation will have the same outcome as did Japanese-ROK economic cooperation, or the so-called "flying dart" effect, with the concern being that the rapidly developing Chinese economy will become a powerful competitor in the South Korean economy. So they do not want to transfer advanced Korean technology to China, demanding that only certain component assembly lines be exported to China, while certain key product parts are manufactured in South Korea. Which in the final analysis is a technological blockade of China.

But such views are in fact ungrounded. From time immemorial, problems in economic relations and trade have been solvable only through positive competition, with negative restriction measures not only not producing the desired results, but even likely to have the opposite effect. The history of South Korean economic development, as well as the development of ROK-Japanese economic relations, have proved that point. A Japanese economic and technological blockade of South Korea could only be an incentive to South Korea to develop more of its own new technology faster. And meanwhile, in today's open world, how could one country successfully block another technologically? So an economically developed and powerful China will not only be a crucial factor in Asian and world stability, but also will be bound to play a good driving role in South Korea's further economic development and Northeast Asian stability.

2. China's close relations with North Korea [the Democratic People's Republic of Korea, or DPRK], and the existence of the "PRC- DPRK Treaty on Friendly Cooperation and Mutual Aid" concluded between China

and North Korea, are all seen as limiting factors in the development of ROK-PRC relations.

Not only have China and North Korea long had the same social system, but we also have a special relationship that was "cemented in blood." In July 1961, the PRC and the DPRK concluded the "Treaty on Friendly Cooperation and Mutual Aid." And meanwhile, China also established a military alliance with the Soviet Union and North Korea, which formed a standoff with the then military alliance in Northeast Asia of South Korea, Japan, and the United States.

But since the breakup of the former Soviet Union and the end of the Cold War order, China and South Korea have established formal diplomatic relations, so that not only has the so-called northern military alliance become history, but China's relations with both North and South Korea have also become normal ones between nations grounded in the five principles of peaceful coexistence. So this relationship between China and North Korea is of course not obstructing China's development of normal political and economic relations with other countries, including South Korea.

3. There is now a widespread concern in South Korea that Chinese politics and domestic and foreign policy are liable to change, with particular concern that China might abandon its policy of reform and opening after the passing of Comrade Deng Xiaoping. But it needs to be noted that ever since the late 1970's, guided by Comrade Deng Xiaoping's theory on building socialism with distinctive Chinese characteristics, China has been pursuing a policy of reform and opening, which has developed our economy by leaps and bounds to quickly improve our living standards. These are acknowledged and indisputable facts. So with Comrade Deng Xiaoping's theory and practice and China's reform and opening policy having won support throughout China, anyone trying to change that policy would find it out of line with the public will, so would fail. And meanwhile, as the PRC's third-generation leadership has already assumed the mission of leading the party and the nation, they are quite capable of leading the Chinese people to adhere to the socialist road in building socialism with distinctive Chinese characteristics. Of course, whether Comrade Deng Xiaoping is still with us or not, it is always possible and normal for China's domestic and foreign policy to be adjusted partially. But as it is certain that China's time-proven line on building socialism with distinctive Chinese characteristics and our principles and policies on reform and opening will not change as China's fundamental line and policy, there is no cause for any concern.

4. While the establishment of formal diplomatic relations between China and South Korea was welcomed in South Korea, some South Koreans have been concerned that China might be abandoning its one-Korea policy, which might have a negative effect on the reunification of the Korean Peninsula. But that is also an unnecessary concern. The Chinese Government has always supported the reunification of the Korean Peninsula, with the only caveat being that we hope that the reunification will respect the wishes of both North and South Koreans, to occur in a peaceful form that is acceptable to both sides, instead of through war. While China respects the Korean nationality's legitimate aspiration for national reunification, it has also faced up to the current reality on the Korean Peninsula of North and South Korean governments each having their own legal UN seats. China has an old saying that "long division means certain reunification, and vice versa." So as China believes that the division of the Korean Peninsula is merely a historic process that will ultimately result in reunification, we would absolutely not do anything that might endanger Korean reunification.

In short, while it is a fact that there are both promotional and limiting factors in the development of PRC-ROK relations, the driving factors are generally mainstream and fundamental, while the limiting ones are subcurrents, many of which are perceptual matters in the category of misunderstandings, and which, as time goes by, will gradually change. So PRC-ROK relations will certainly develop further to the benefit of both Chinese and South Koreans, contributing both to peace and stability on the Korean Peninsula and in Northeast Asia, as well as to the peaceful reunification of the Korean Peninsula.

Near East & South Asia

PRC: XINHUA Cites Pakistan's Bhutto on PRC Role in World

OW0107161796 Beijing XINHUA in English
1606 GMT 1 Jul 96

[FBIS Transcribed Text] Islamabad, July 1 (XINHUA) — China plays a vital role in maintaining the regional and world peace and stability, said Pakistani Prime Minister Benazir Bhutto here today.

During a meeting with the visiting Commander of the Chinese Navy, Zhang Lianzhong, Benazir Bhutto said China is a peace loving country and always wants to solve disputes through peaceful means.

She greatly appreciated the achievements made by China, saying that China's development shows the intelligence of the Chinese leadership and the diligence of the people.

During the 30-minute meeting, Benazir recalled the cordial relations between the two countries, saying that China is the most trusted friend of Pakistan and has helped it in difficult times.

She stressed that to develop the time-tested relations with China is the corner stone of Pakistan's foreign policy.

The prime minister said that no matter what may happen in the international arena in the future, the Pak-China friendship, developed by the leaders of the older generation of the two countries, will remain the same.

This friendship, she said, is also reflected in the relations between the armed forces of the two countries, which have been cooperating successfully in various fields.

Zhang Lianzhong also said that the Chinese leadership attaches great importance to the strengthening and development of the Sino-Pak friendship.

During the meeting, the Chinese naval commander also briefed the prime minister on the construction and development of the Chinese Navy.

Zhang, leading a six-member Chinese naval delegation, arrived here last Friday on a five-day visit at the invitation of Mansoor ul Haq, chief of Pakistan's naval staff. The Chinese delegation will also visit Karachi before leaving for home on July 3.

PRC: General Fu Quanyou Meets Pakistan Army Staff Chief 25 Jun

OW2506092196 Beijing XINHUA in English
0851 GMT 25 Jun 96

[FBIS Transcribed Text] Beijing, June 25 (XINHUA) — General Fu Quanyou, chief of the General Staff of the Chinese People's Liberation Army, met with General Jehangir Karamat, chief of army staff of Pakistan, here today.

Fu said that recent years have witnessed frequent exchanges of visit at the top level between China and Pakistan, and that the two countries have enjoyed a sound cooperation in every field over the past years.

He also expressed the belief that Karamat's current visit will further advance the friendly relations and cooperation between the two countries as well as the two armed forces.

Karamat said that Pakistan is willing to strengthen the friendship and cooperation between the two countries as well as the two armed forces.

PRC: Navy Chief, Pakistani Defense Minister Meet in Islamabad*OW3006124596 Beijing XINHUA in English
1233 GMT 30 Jun 96*

[FBIS Transcribed Text] Islamabad, June 30 (XINHUA) — Visiting Commander of the Chinese Navy Zhang Lianzhong met Pakistani Defense Minister Aftab Shaban Mirani here today and both spoke highly of the close cooperation between their two countries.

Mirani said the exchange of visits of military officers at various levels has proved beneficial for the traditional friendship between Pakistan and China.

The leaders of the two countries have been keen to enhance the bilateral relations in all fields for welfare, progress and prosperity of their peoples, he added.

He recalled the close cooperation between the two countries in the past two or three decades and spoke highly of the cooperation between the two countries' armed forces.

Admiral Zhang Lianzhong also praised the close cooperation between China and Pakistan, especially that between the two armies.

Zhang expressed the hope that the naval forces of the two countries will further enhance their cooperation in the future.

Zhang arrived here Friday on a five-day visit to Pakistan at the head of a six-member Naval delegation.

Zhang held talks with Chairman of the Pakistani Joint Chiefs of Staff Committee Farooq Feroze Khan here Saturday.

West Europe**PRC: Article Urges Germany To Observe 'Basic' Principles***OW0507064896 Beijing CHINA DAILY in English
5 Jul 96 p 4*

[By Bu Wen: "Mutual Respect Vital in Making Friends"]

[FBIS Transcribed Text] The German Federal Parliament recently passed a resolution on how China should treat Tibet, which Germany acknowledges is part of China. Someone even planned to come all the way to Beijing to give China a face-to-face lesson of sorts.

Under such a forbidding atmosphere, the Chinese Government was forced to postpone the planned visit by the German foreign minister. Then certain personalities in Germany flared up, claiming the action by China was rude and incompatible with its status as a partner of Germany.

This reasoning is absurd.

The world is abundant in principles on how to make friends, but the claims by these German personalities are surely novel.

You have a friend and you want to invite him to visit your home. But before he comes, he yells at you in public, shouting that you have failed to treat your children properly, denouncing your behaviour and demanding that you behave yourself and treat a certain child in a certain way.

He even goes on to say that he will give you a lesson face-to-face when he visits as a guest.

Are there any rules in the world suggesting that one should treat a friend the way this "friend" does?

If we follow the same logic, then before the visit of a German guest it would perhaps be advisable for the National People's Congress of China to pass a resolution condemning Germany's tolerance of the resurgence of neo-Nazis forces, its laissez-fair attitude in the face of bouts of merciless killing and burning of foreign nationals by xenophobes and in the end, give the German Government detailed instructions on how to change the situation.

Would the Germans concerned think such a practice conforms to the rules of properly developing the partnership between the two countries?

I think one of the basic principles guiding the way of treating a partner country is to respect its sovereignty and refrain from interfering in its internal affairs.

Tibet is part of China, and this is recognized by the German Government.

Yet in spite of all this, the German Federal Parliament has passed a resolution supporting the so-called "Tibetan government in exile" and the Dalai Lama, who is bent upon splitting China, while at the same time demanding the Chinese Government negotiate with the Dalai Lama on granting more rights to Tibetan people.

This is exceptionally ridiculous.

Are these Germans aware of the kind of rights the Tibetan people had while under the rule of the Dalai Lama? Their only right was to live a life reminiscent of the serf in medieval Europe.

These German personalities should know that while under the rule of the Dalai Lama, Tibet was an inferno for 95 percent of Tibetan people who were serfs. Intentionally or not, these German personalities seem to have shunned the fact that now the Tibetan people lead a much better life.

The Tibetan people enjoy all kinds of rights — and what they have lost is their chains.

It is the "Tibetan government in exile" which represents the serf owners' interests. And it is the Dalai Lama, the biggest serf owner who once ruled Tibet as a god-king, whom the Germans expect the Chinese Government to negotiate with.

These personalities hope such negotiations will increase the rights of Tibetan people.

But obviously the only right that could be talked about is the right for the serf owners to resume the serf system.

Those German personalities: You claim to have the most keen interest in human rights — then why should you stand shoulder to shoulder with the most vicious offenders of human rights? How could you back them heart and hand at the price of the friendship of the Chinese and German people?

While supporting activities aimed at splitting China, interfering in its internal affairs and standing on the side of the most inhumane serf owners in the name of human rights, the German personalities ask China to remain resigned to all this.

Is this the way of treating a partner? If it is, isn't it too rude?

Gone are the days when one country can order and humiliate another with condescension; gone are the days when China could be bullied submissively.

for two countries to become partners, the best way is to observe normal and basic principles, which will be in the best interests of the people in both countries.

Political & Social

PRC: Article on CPC Sixth Plenary Session

OW0507125196 Hong Kong MING PAO in Chinese
5 Jul 96 p A10

[By MING PAO special reporter LI Yi (2621 0076):
"The Sixth Plenary Session Has Set Its Keynote — It
Will Not Raise the Issue of Opposing Colonial Culture"]

[FBIS Translated Text] On the eve of the Sixth
Plenary Session, winds have risen and clouds have
scudded in Beijing, and left-wing people of the
cultural circle have been active.

The CPC Central Committee [CPCCC] Propaganda De-
partment negated the criticism made earlier by an ex-
treme leftist faction in the "Ten-Thousand-Word Letter"
that "a new capitalist class has been established on the
Mainland."

The complicated international situation has fiercely
pounded on the CPC's ideology.

The market economy has created numerous new diffi-
culties and problems for spiritual civilization building.

The CPCCC Propaganda Department, which is currently
drawing up a "resolution on spiritual civilization build-
ing" for the Sixth Plenary Session of the 14th CPC Cen-
tral Committee, to be held this fall, recently set forth
four viewpoints on correctly judging the current situ-
ation of spiritual civilization building. The keynote of
the four viewpoints was comparatively mild and was
different from the recent leftist radical view calling for
launching a full-scale attack on colonial culture.

According to the CPC's traditional practice that cor-
rectly judging and analyzing the situation is used as the
grounds for formulating policy, the true significance of
the CPCCC Propaganda Department's calling for cor-
rectly judging the current situation of spiritual civiliza-
tion building on the eve of the Sixth Plenary Session
is to set the keynote of the upcoming plenary session
and to straighten out the various appraisals and divided
understandings among people of various social sectors
and groups.

On the issue of how to judge the situation of spiritual
civilization on the Mainland, the CPCCC Propaganda
Department has called for seeing it from an all-round,
historical, and development perspective, and not being
alienated from the background of the time China is
currently in and not seeing spiritual civilization building
as an isolated matter. It has said that we should
not assume that all shortcomings exposed in building
spiritual civilization are related to spiritual civilization's
being unaccommodating to economic construction and
development. This neutralized appraisal of Beijing's

high-level authorities has evidently negated the criticism
made earlier by an extreme leftist faction in the "Ten-
Thousand-Word Letter" that "a new capitalist class has
been established on the Mainland," and has drawn
a clear line between them and the left-wing cultural
circle's viewpoint totally negating the ideological status
quo.

As far as ideology is concerned, the CPCCC Propaganda
Department has held that, compared with that period
before reform and opening up, the time and environment
China currently have changed greatly. The changes are
markedly demonstrated in the following four respects:

— In the international situation, the bipolar setup of
the United States and former Soviet Union has been
overturned, the former Soviet Union has disintegrated,
Europe's communist regimes have collapsed, and the
international socialist movement is in ebb. Such a
complicated international situation has fiercely pounded
on the CPC's ideology.

— The market economy has created numerous new
difficulties and problems for spiritual civilization
building. (txt)— The world's rapid new- and high-
technological development, while having enabled
China to share mankind's scientific, technological, and
cultural achievements, has been used by international
hostile forces as an important carrier for carrying out
their strategy to "westernize" and "split up" China and
for stepping up ideological and cultural infiltrations
against people on mainland China. Therefore, spiritual
civilization building has faced a stern trial. According
to informed sources, the new- and high-technology
that the CPCCC Propaganda Department referred to
is Internet. Although the authorities have set strict
restrictions for mainland Chinese to apply for access
to Internet, many middle-aged and young Chinese
intellectuals have received electronic messages from
the West directly through Internet. The authorities have
been extremely worried that Internet will directly pose
a threat on the current regime.

— Deng Xiaoping Theory's guiding position among the
CPC has been established; it is believed that this theory
will be able to provide ideological assurance for spiritual
civilization building.

Informed sources disclosed that many veterans of the
ideological and cultural circles in Beijing who have
claimed that they "firmly believe in Marxism-Leninism"
recently have continued to apply pressures on CPC
departments in charge of ideological work and on the
group for drawing up documents for the upcoming
Sixth Plenary Session, in a hope that they could take
advantage of the current political situation of "attaching
importance to politics" and building spiritual civilization

to change the cultural field's current passive situation of westernization, colonization, and non-socialization. They hoped that, in analyzing the current situation, the Sixth Plenary Session will spend more time discussing the dark side of things and existing problems, and include "stay vigilant against the flooding of colonial culture" and other phrases and ideas of the like in the Sixth Plenary Session's documents. It has been reported that the idea "colonial culture" has been approved by Jiang Zemin, general secretary of the CPC Central Committee. Jiang Zemin gave relevant instructions and comments in an internal reference document published by the XINHUA News Agency. However, Jiang Zemin said it was not necessary to include this idea in CPCCC documents.

In another development, on the eve of the Sixth Plenary Session, left-wing people of Beijing's cultural circle have been quite active. All kinds of theoretical and critical articles on cultural and theoretical journals published by these people have directly pointed at "cultural pluralism," "non-politicalization of culture," and "colonial culture". Among these journals, the most notable is the "ZHONG LIU" journal, whose chief editors are Lin Mohan and Wei Weiwei. After having fiercely lashed out at former minister of culture Wang Meng in recent issues, the latest issue of the journal directed its spearhead to well-known playwright Sha Yexin of Shanghai, accusing him of publicly challenging the CPC's literature and art principle of "serving socialism". The journal also has launched full-scale attacks on cultural works, motion pictures, and television programs that have been popular in recent years. Those who have been criticized and negated included Wang Suo, Mo Yan, and Zhang Yimou, as well as nearly all Chinese movies that have won international awards in recent years.

PRC: Beidaihe Meeting Set for Jul, Aug; Party Plenum in Sep

OW0707012896 Hong Kong MING PAO in Chinese
6 Jul 96 p A2

[First of "Beijing Summer" serial reports by special correspondent Chou Su (0719 4725): "Top Chinese Leaders To Hold Beidaihe Meeting; Sixth Plenary Session To Adopt Resolution on Building Ethical Culture"]

[FBIS Translated Text] The annual Beidaihe meeting of top Chinese leaders will be held from 20 July to 10 August. The meeting will discuss the resolution of the Sixth Plenary Session of the 14th CPC Central Committee, which is scheduled to be held in September. It will also hold preliminary discussions on personnel arrangements and relevant work, which will be discussed at next year's 15th CPC National Congress.

According to sources in Beijing, the sixth plenary session resolution has been revised several times. The current draft is being perused and revised by top leaders. A preliminary draft will be drawn up before 20 July. After 20 July, the principal drafters of the report will attend the Beidaihe meeting as nonvoting delegates to hear top leaders' views on the resolution. Afterward, they will make further revisions.

It has been revealed that, notwithstanding the CPC's 75th founding anniversary and the one-year countdown to Hong Kong's reversion, the sixth plenary session and its "Resolution on Spiritual Civilization" will still count as this year's most important political event. This year, the mainland will carry out its principal tasks around the sixth plenary session's theme of "spiritual civilization," including the "hit-hard" campaign that was launched in recent months, the publication of a series of important theoretical pieces in leading media vehicles, and the inspection of the names and signboards of various companies. All big cities have been asked to work out as soon as possible "concrete measures" for promoting spiritual civilization, such as "urban civilization treaties."

It has been revealed that the main purpose of the current draft "resolution" is to establish a system of ethical culture that is suitable for the socialist market economic system currently under construction. The main features of this system include moral concepts, vocational ethics, and public morals. Of these, vocational ethics and public morals are obviously intended to serve the market economy. For example, vocational ethics are mainly targeted at government employees and the service industry. Moral concepts are aimed at "carrying forward the Chinese nation's fine tradition," with emphasis on traditional concepts that play a positive role in stabilizing society, such as "respecting one's teacher and his teachings" and "respecting the old and cherishing the young."

Some scholars who know about the preliminary contents of the "resolution" noted that the resolution was much "moderate" than they first thought. Without a strong ideological flavor, it will probably not incur strong public disapproval and will probably meet with fairly little resistance when it is sold to the public. For this reason, it is considered quite practical and easy to implement.

The CPC will hold the "15th National Congress" next year to organize cross-century leading bodies. It is reported that, before Jiang Zemin delivered his speech on improving cadres' quality on the party's 75th founding anniversary, the CPC Central Committee Organization Department worked out procedures for selecting

and evaluating cadres after Jiang Zemin and Hu Jintao expressed an outright interest in the matter. As part of the procedures, organization departments will, without issuing any advance notice, have impromptu one-on-one talks or hold meetings with the subordinates of leading cadres to solicit written evaluations of the latter's performance. Before they are promoted, cadres in principal leadership positions at the section level in central units must undergo democratic evaluation by all of their subordinates. The CPC Central Committee Organization Department has implemented the procedures on a trial basis in some units. Besides discussing some personnel issues related to the "15th CPC National Congress," the Beidaihe meeting will also hear reports on the selection and evaluation of cadres.

PRC: Jiang Zemin Urges Further Enterprise Reform

OW0407121696 Beijing XINHUA Domestic Service in Chinese 0944 GMT 3 Jul 96

[By Jiang Zemin: "Strengthen Confidence, Improve Leadership, Have a Firm Grip on Implementing Policies, and Accelerate the Pace of Reform and Development of State-Owned Enterprises (4 May 1996)"]

[FBIS Translated Text] Since 27 April, I have inspected a number of enterprises and held discussion meetings. Over the past few days, responsible comrades of enterprises in Sichuan, Hebei, Liaoning, Shandong and Shanghai have reported on the state of reform being carried out by those enterprises. Leading comrades of Shanghai, Jiangsu, Zhejiang and Shandong also made reports on the state of reform and development of state-owned enterprises. Generally speaking, state-owned enterprises have made new progress in reform and development and the situation is good overall. However, state-owned enterprises also have many problems and difficulties, and it is quite apparent that there is a dilemma that enterprises' reform still does not meet the needs of a socialist market economy. We must correctly analyze the situation, firmly strengthen our confidence in improving state-owned enterprises, further improve our leadership, have a firm grip on implementing policies, and accelerate the pace of reform and development in state-owned enterprises.

I will mention here my thoughts on several points.

1. State-owned Enterprises Have Made Important Contributions to Our Country's Reform and Development

Since the founding of New China, the state-owned economy has always occupied a leading position in our national economy. State-owned enterprises constitute a

pillar in the country's national economy and have played a decisive role in consolidating the socialist system, building a socialist market economy, promoting economic and social progress and building socialist spiritual civilization. Since the convocation of the Third Plenary Session of the 11th CPC Central Committee, state-owned enterprises have contributed greatly to the country's reform and modernization drive and guaranteed the sustained, rapid and healthy development of the national economy. The state-owned economy and state assets have continued to grow greatly, and the overall level and strength of the state-owned economy has been raised significantly. State-owned enterprises have controlled the lifeline of the national economy, played a leading role in the entire economic development, and served as the principal source of state revenues.

The reform of state-owned enterprises has deepened continuously. Especially in recent years, various localities and departments have actively promoted reform and development of state-owned enterprises. The work of trying modern enterprise system at selected units has been unfolded in an extensive manner and contents and scope of the trial have gradually been expanded. Initial good results have been achieved in this respect. In the course of reform, some key and difficult issues have been found and appropriate measures have been developed to adjust the structure of assets and debts. Helpful quests have been made in merging and declaring bankruptcy of enterprises, reducing the social burden to be borne by the enterprises, and resettling surplus personnel. Progress has also been made in adjusting the structure of the state-owned economy and carrying out strategic reorganization of state-owned enterprises. In accordance with the demand of invigorating the national economy as a whole, we have improved production structure, increased new fields of economic development, and given full play to the advantages of the state-owned economy. We have formed a number of large-scale enterprises and enterprise groups with real strength and vitality, which are growing in strength amid market competition at home and abroad.

While affirming achievements and contributions of state-owned enterprises, we must also take note of the existing problems and difficulties of those enterprises. A considerable number of state-owned enterprises are run rigidly with poor economic efficiency. They are faced with heavy burdens and difficulties in operation, and their losses are continuing to grow. Those difficulties and problems of state-owned enterprises will have a direct impact on the establishment of a socialist market economy, the development of the national economy, social stability, and people's livelihood. Therefore, leading bodies at all levels must pay strict attention

to the matter. Fundamentally speaking, in order to solve those problems, we must accelerate the pace of reform of state-owned enterprises. Meanwhile, we should further adopt appropriate measures to boost the development of those enterprises, including measures to promote scientific and technological progress, develop scale economy and avoid redundant construction, so as to increase the competitive power of state-owned enterprises in the market.

At present, the reform of state-owned enterprises is in a very crucial period. All localities and departments should clearly understand their tasks, work in a solid manner, make the establishment of a modern enterprise system as their working target, accelerate the pace of reform, change the operational system, shift the emphasis of economic growth to the adjustment, reorganization and improved allocation of stock assets of the state [guo you cun liang zi chan 0948 2589 1317 6852 6327 3934]. It is necessary to give full play to the role of existing enterprises, turn science and technology into a primary factor for promoting economic growth, and increase enterprises' ability to innovate new technologies. It is necessary to turn enterprises into the subject of investment [tou zi zhu ti 2121 6327 0031 7555] in their production and operation, and raise their capability to improve efficiency and shoulder responsibility. We must clearly understand that the improvement of state-owned enterprises is the foundation for effecting the two fundamental shifts. Reform of both the economic system and economic growth mode are tied to industrial enterprises and, only when state-owned enterprises' problems are solved, can the economic system and economic growth mode be reformed and the country's Ninth Five-Year Plan and long-term target for the year 2010 be achieved.

Party and government leaders at various levels and responsible comrades of state-owned enterprises must have firm confidence in enterprise reforms. In spite of many difficulties and many arduous tasks, with our more than 10 years of practical experience in carrying out state-owned enterprises reform and with the participation and enthusiasm of the broad masses of staff members and workers, we have favorable conditions to successfully carry out reforms of state-owned enterprises. As long as we firmly adhere to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, persist in the correct orientation and policies formulated by the party Central Committee, strengthen leadership, work in a solid manner and bring into play the enthusiasm of all sectors, then the path for the reform and development of state-owned enterprises with Chinese characteristics will certainly be found and taken.

II. Firmly Implement the Party Central Committee's Fundamental Policies for the Reform of State-Owned Enterprises

Since the Third Plenary Session of the 11th CPC Central Committee, the party Central Committee has attached great importance to the reform and development of state-owned enterprises. It has adhered to the principles of emancipating people's minds and seeking truth from facts and has put forward a series of correct guiding ideology, principles and policies for the reform and development of state-owned enterprises. The 14th CPC National Congress put forward the goal of reforming the economic structure for the establishment of a socialist market system under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line. On the basis of summing up experiences, the Third Plenary Session and the Fifth Plenary Session of the 14th CPC Central Committee have further affirmed various basic policies for the reform of state-owned enterprises. Our practices have shown us that those policies of the party Central Committee are totally correct. The basic policies for the reform of state-owned enterprises are:

- (1) The modern enterprise system in which public ownership plays the predominant role is the foundation for the system of a socialist market economy. State-owned enterprises, especially large and medium-sized enterprises constitute the pillar of the national economy and the reform of state-owned enterprises is the central link of the reform of the economic structure.
- (2) The establishment of a modern enterprise system is the orientation of the reform of state-owned enterprises. The basic characteristics are clearly established ownership of properties, well defined power and responsibility, separation of enterprises from government administration, and scientific management. By the end of this century, most state-owned large and medium-sized enterprises should, in the main, establish the modern enterprise system and become corporate entities and market competitors that operate independently, assume responsibility for their own profits and losses, and exercise self-restraint in their own development.
3. State enterprise reform should be combined with reorganization and transformation as well as with strengthening management, to lay a microfoundation for an optimized industrial structure and a highly efficient economic operation.
4. Aiming to improve the entire state-owned economic sector and by circulating and reorganizing stock assets, we will introduce a strategic reshuffle to state-owned enterprises. With markets and the industrial policy as our guidance, we will concentrate our efforts on

improving a number of large state-owned enterprises and enterprise groups, and on invigorating small state-owned enterprises so the state-owned economic sector will display its leading role better in the national economy.

5. We should enable state-owned enterprises to make faster technological progress so as to form a mechanism for their technological innovations and strengthen their market competitiveness.

6. In improving state-owned enterprises, we should wholeheartedly rely on the working class, earnestly strengthen the enterprises' operational and managerial personnel, strengthen their internal management, form a mechanism suited to market economic demands, improve all kinds of basic work relating to these enterprises, and enhance their quality as a whole.

7. There is a need to coordinate and carry forward all reforms, with the focus on establishing a state-owned asset management, supervisory, and operational system under which rights and responsibilities are explicitly defined. Government administration should be separated from enterprise management, and a social insurance system should be speedily established and improved to provide external conditions for state-owned enterprise reform.

8. The public-owned economic sector should be taken as a dominant factor while allowing multiple economic sectors to develop together. The state has created fine environments and conditions for all kinds of economic sectors to equally participate in market competition.

The policies of the central authorities on reforming and developing state-owned enterprises have been formulated, developed, and improved in the course of practice and comply with China's national conditions, the characteristics of socialism, the law governing the market economy, and the requirements of modernized production. We should follow these policies, further unify our understanding, firmly implement them, boldly carry them out in light of specific conditions, and constantly probe and create new experiences.

III. The Main Principles to be Thoroughly Understood in Improving State-Owned Enterprises

Comrade Deng Xiaoping pointed out the need to use "three beneficials" as criteria for judging loss and gain in reform, opening up, and all aspects of work. This is an important principle and historic conclusion drawn through using Marxist theory of knowledge to analyze the practice of reform, opening up, and modernization, thus explicitly resolving a major problem in understanding that had protractedly and frequently disturbed and restricted our ideas on judgment criteria. This serves as

a great emancipation for the ideology of comrades in the entire party. In deepening state-owned enterprise reform and establishing a modern enterprise system, we should also use the "three beneficials" as criteria to judge the loss and gain. Only on this basis can we genuinely unify our understanding. In the course of reform, everyone deeply feels that only by upholding the "three beneficials" will enterprise reform have a correct orientation and constantly deepen. In accordance with these criteria, judgments of achievements in state-owned enterprise reform should find expression in the following: The first is judging whether an enterprise follows the requirement on establishing a modern enterprise system in turning itself into a corporate entity that independently operates itself, assumes sole responsibility for its own losses and profits, conducts self-development, and carries out self-restrictions, and whether it turns itself into the main body that takes part in market competition; the second is judging whether it has improved its economic returns and market competitiveness and whether it has guaranteed and increased its asset value; the third is judging whether it has brought the initiative of its staff members, workers, and managerial personnel into play, which is beneficial to displaying the role of the enterprise's party organization as a political core and to carrying out the principles and policies of the party and the state; the fourth is judging whether it has helped to strengthen the vitality of the state-owned economic sector and promoted its development. Enterprise reform must give expression to these principles.

VI. Respect Practice, Encourage Exploration, Sum Up Experience, Actively Push Forward Reform of State-Owned Enterprises

Now that the basic guidelines for establishing a modern enterprise system and improving state-owned enterprises are clear, the key lies in implementing them. Where does the experience of reform come from? It can only come from practice. We must encourage exploration and allow experimentation. We must persistently emancipate the mind, seek truth from facts, and boldly carry out experiment and exploration. We cannot get anything done by waiting for it to come. Avoiding problems and flinching from difficulties will accomplish nothing. In the course of reform, it is normal to have differences of opinion toward certain ways of doing things. This is conducive to drawing on collective wisdom and absorbing all useful ideas. What is important is to respect practice and earnestly sum up experience in the course of practice. We must uphold and gradually popularize what has been proved correct and effective. When problems are discovered, we must promptly correct them, lest they lead to bigger losses. We must, in accordance with the central arrangements, actively push

forward the experimental work and earnestly resolve key and difficult issues in reform and development to ensure that reform will continue to deepen and perfect. While carrying out experiments in selected enterprises, we must not relax reform in the rest of our state-owned enterprises. While earnestly summing up the experience of experimental enterprises, we must also promptly review the reform experience gained by other, nonexperimental enterprises. While requiring typical models, we must bring about integration between the experience of the selected experimental enterprises and that of the nonexperimental enterprises. Many localities and enterprises have gained good experience in reform. During this conference, four provinces and municipalities, and a number of enterprises have introduced their respective experiences. Our attitude toward their experience is: First, we must pay close attention to it; second, we must support and help them to constantly refine their experience; and third, we must study and borrow from their experience with reference to our conditions.

During the last decade or more, China's reform has proceeded step by step in an orderly way in line with China's national conditions, and its tremendous achievements have become a focus of world attention. As a result of the reform, our economic structure and operating mechanism have undergone profound changes. At the same time, difficult issues left over from the old structure — such as changing enterprise operating mechanism, separating enterprise management from government administration, establishing a social security system, the excessive debts of enterprises, and enterprises operating social welfare undertakings — have not been fundamentally resolved. We must be determined to adopt effective measures and create conditions in all respects to resolve them, vigorously but soundly.

V. Party Committees and Governments at All Levels Must Attach Great Importance to Enterprise Reform Work

1. Attach importance to study. Leading cadres at all levels must earnestly study Deng Xiaoping's theory of building socialism with Chinese characteristics; profoundly understand the important ideas on reform, opening up, developing the economy, and enterprise reform; and acquire strong confidence and raise their work awareness. They must earnestly study and accurately grasp the series of principles of the Central Committee on deepening state-owned enterprise reform and establishing a modern enterprise system. They must be clear about the orientation of reform and raise their policy standards. At the same time, they must earnestly acquire knowledge about the socialist market economy, master

the general laws of the market economy, and enhance their ability in guiding economic work.

2. Strengthen leadership. The principal leaders of party committees and governments at all levels must personally attend to the work of improving state-owned enterprises. Reform of state-owned enterprises involves economic and political areas and every other aspect of party and government work. Only when the principal responsible comrades personally attend to and coordinate the work of reform can reform proceed step by step in a guided way. In the past few years, a number of provinces and municipalities have scored considerable progress in enterprise reform. Their primary experience is: Principal leaders of their party committees and governments personally took command and formed an authoritative leading apparatus to promptly coordinate work and resolve major issues of reform and development. Another important aspect in strengthening leadership is helping enterprises select and form a good leading body. The implementation of various reform policies and guidelines ultimately relies on enterprise managers and operators. Therefore, it is necessary to select outstanding personnel who have strong political integrity and managerial expertise to serve in the leadership posts, and it is necessary to ensure that they are capable of consciously implementing the party's principles and policies, relying on the working class wholeheartedly, and leading the vast number of workers to actively push forward enterprise reform and development. It has been proven in practice that all successful enterprises possess a good leading body and a contingent of high-standard, capable workers. Only in this way can we truly transform the Central Committee's reform policies and guidelines into the practice of the masses, uphold the correct orientation of reform, and continue to deepen the reform of state-owned enterprises.

3. To make overall plans and coordinate our action. Enterprise reform is a social engineering project. Its many contradictions and problems are often general reflections of the problems of national economic and social development at a deeper level. Enterprise reform, which has a bearing on the establishment and perfection of a socialist market economic structure, must proceed simultaneously with other reforms related to establishment of a socialist market economic structure. Therefore, enterprise reform is by no means the specific job of one or two departments; it touches every department. Everyone must take the overall situation into account, safeguard the general interests, consciously make enterprise reform their important job, take the initiative to coordinate their action, make concerted efforts, and pool their strengths together to accelerate the pace of various other reforms that support and complement enterprise

reform. Only by doing so can we make breakthroughs in the experimental work of reforming state-owned enterprises, push forward reform in nonexperimental enterprises, and produce substantive results in various other reforms.

4. Pay attention to work method. Leaders at all levels must earnestly study and correctly understand the principles and policies of the Central Committee on enterprise reform; implement them with reference to the actual conditions; and avoid making unsustainable efforts like blowing a whirl of wind, and avoid demanding uniformity or practicing formalism. In studying and borrowing successful experience and practice, we must proceed from reality and suit measures to local conditions. Enterprises differ in thousands of ways in their conditions; we must not copy other's experience mechanically in disregard of our own specific conditions. We must avoid "showy postures" and formalism, disregarding substantial results.

5. Show concern about the masses' livelihood. Over the past few years, because of the in-depth reform and other causes, some state-owned enterprises are unable to meet the demands of the market economy and have encountered difficulties in operations and management. This has affected the work and livelihood of some workers. Leaders at all levels must promptly study this problem and earnestly resolve it. We must realize that our reform is aimed at fundamentally changing the old economic structure that has fettered the development of our country's productivity, and establishing a dynamic and lively socialist market economic structure. Essentially speaking, reform represents the fundamental, long-term interests of the working class, and it is to enable the masses of people, particularly the vast number of workers, peasants, and intellectuals to receive the greatest benefits. Practice of reform over the last decade and more shows that the living standards of the vast number of people have greatly improved. However, we must also pay close attention to the difficulties encountered by some enterprises and workers. Leaders at all levels must adopt vigorous, effective measures to satisfactorily resolve the problems encountered by the masses in their daily life, particularly the livelihood of workers in difficult enterprises. At the same time, we must do thorough and painstaking ideological-political work to promptly resolve contradictions, maintain social stability, and ensure the smooth progress of reform and development.

Reform and development of state-owned enterprises are major economic issues affecting the development of the entire national economy. They are also major political issues having a bearing on the destiny of the socialist system. Party committees and governments at all levels must give more prominence to this work, strengthen

leadership, vigorously carry out the work, and adopt effective measures to accelerate the reform of state-owned enterprises. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, let us creatively carry out the work with stronger determination and daring, and achieve new, greater victory in the reform and development of state-owned enterprises.

PRC: Deng's Son-In-Law Reportedly Loses Key Military Post

*OW0807064096 Hong Kong AFP in English
0611 GMT 8 Jul 96*

[FBIS Transcribed Text] Beijing, July 8 (AFP) — The son-in-law of Deng Xiaoping, Major General He Ping, has lost his key post in the military's Armament Department and will also have to give up as head of arms vendor Poly Group, well-placed Chinese sources said Monday.

His fall illustrates the quickening loss of power in the Deng clan, reflecting the declining state of health of the patriarch, who will be 92 next month, observers said.

Married to Deng Rong, Deng Xiaoping's youngest daughter and confidante, he has — under pressure from generals on the Communist Party's Central Military Commission — agreed to resign as director of the People's Liberation Army (PLA) Armaments Department, the sources said.

In that capacity, he was in charge of all the Chinese military's arms purchases.

According to other sources, He will also have to give up his position as president of Poly Group, a state enterprise closely linked to the PLA that specialises in selling arms abroad.

PRC: Premier Li Peng Inspects Heilongjiang Province

*OW0607142196 Beijing XINHUA in English
1406 GMT 6 Jul 96*

[FBIS Transcribed Text] Harbin, July 6 (XINHUA) — Heilongjiang Province should place agriculture high on its agenda and continue to contribute to the national economy, Premier Li Peng said during an inspection tour of the region.

The northernmost province is one of the country's major grain producing bases, with a yearly output of more than five million tons.

Li visited farms, seed-processing centers, and water irrigation projects here, and inspected the management of

agricultural machinery and the development of uncultivated land.

The premier said the province's vast land space shows great potential for agricultural production.

"If efforts are made to transform low-yielding farmland, raise per-unit output, and reclaim uncultivated land, then the goal to increase grain output by 7.5 million tons will be achieved by the end of this century," Li said.

He said it is advantageous to set up family-owned farms within large state-run farms, providing the state farms do not relinquish their state-ownership.

Intensive farming and the mechanization of farm work should be encouraged, Li said, adding that efforts also should be made to diversify economy that will help to readjust the economic structure.

During his stay in Heilongjiang, the premier visited large state-owned enterprises and talked to factory managers, and listened to their ideas and suggestions for reform of state enterprises.

It is understandable that some-owned enterprises have many problems when they change to a different management system, Li said.

The cause of these difficulties is complex, he added, and all social sectors should work jointly to solve these problem.

Enterprises should be aware of their competitors and developments in the market, and maintain easy access to information, the premier said.

He asked factory managers and local officials to study Jiang Zemin's speech on reform and development of the state-owned enterprises and to follow its suggestions.

While in Heilongjiang, Premier Li Peng also inspected forestry farms and the Harbin Polytechnical University, and visited workers in all sectors.

PRC: Qiao Shi, Others Attend NPC Standing Committee Session

OW0807011796 Beijing XINHUA Domestic Service in Chinese 1331 GMT 4 Jul 96

[By reporters Wang Jinfu (3076 6855 4395) and Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 4 Jul (XINHUA) — The 20th session of the Eighth National People's Congress (NPC) Standing Committee held a plenary session at the Great Hall of the People this afternoon to hear and discuss reports on a draft law and opinions on revising amended drafts, and a report of the NPC Financial and Economic Commission on examining the 1995 final accounts of the central government.

Standing Committee Chairman Qiao Shi attended the meeting, which was chaired by Standing Committee Vice Chairman Wu Jieping.

Xue Ju, chairman of the NPC Law Committee, made a report on the amended draft of the Auction Law, the draft Decision of Revising the Archive Law, and the amended draft of the Firearms Control Law. He also reported the Standing Committee members' views of revising the amended drafts. He said: The current session divided into groups to examine the revised draft of the Auction Law, the draft decision of revising the Archive Law, the revised draft of the Firearms Control Law. Standing Committee members were of the opinion that these draft laws should be adopted because they have become quite mature since they have incorporated the views of Standing Committee members, local authorities, departments, and experts. After studying the Standing Committee members' views on amending these draft laws, the Law Committee stated its views on further revising the drafts.

Li Hao, vice chairman of the NPC Financial and Economic Committee, reported the committee's examination of the Central Government's 1995 final accounts. He said: The Financial and Economic Committee maintained that the execution of the Central Government's 1995 budget was generally satisfactory and the central budget approved by Eighth NPC's Third Session was accomplished even though the execution had certain problems. The Financial and Economic Commission proposed that the current session approve the central government's 1995 final accounts as well as Finance Minister Liu Zhongli's "Report on the Central Government's 1995 Final Accounts." The Ministry of Finance should attach great importance to the problems which the State Auditing Administration found during its auditing, seriously approach and correct those problems, and seriously handle those cases which have violated laws and discipline.

During the plenary session, Standing Committee members Li Guiying, Mo Wenxiang, Zhang Shou, Huang Yicheng, and Chi Haibin expressed their views on the need for state enterprises to deepen their restructuring; Standing Committee members Nie Li, Lin Liyun, Zhang Ruiying, and Wang Shuxian stated in their joint statement that improving marriage and family legislation is urgent; Standing Committee Huang Changxi proposed that quick actions be taken to draw up a law for protecting dependents of Overseas Chinese and to define the meaning of Overseas Chinese; Standing Committee member Yang Jike urged the NPC Standing Committee to authorize the Environmental and Resource Protection Committee or the Financial and Economic Committee to exercise their supervision over the Ministry of Coal In-

dustry; Standing Committee members Huang Yuchang and Chi Haibin made a joint statement on the project of diverting South China's water to the north; Standing Committee members Feng Kexu and Yang Zhongshu made a joint statement entitled "Act As Quickly As Possible To Draw Up Measures for Minimizing Disasters Caused by Earthquake To Ensure the Country's Smooth Economic Development and Steady Social Development;" and Standing Committee member Xia Jiajun stated in his speech that supervision over law enforcing departments must be intensified.

Present at the plenary session were Standing Committee Vice Chairmen Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Lei Jieqiong, Li Ximing, Wang Bingqian, Pagbalha Geleg Namgyai, Wang Guangying, Cheng Siyuan, Buhe, and Tomur Dawamat; and Secretary General Cao Zhi.

Zou Jiahua, vice premier; and Luo Haocai, vice president of the Supreme People's Court, attended the plenary session as observers.

PRC: Jiang Zemin Denies Engaging in Factionalism
HK0807055496 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 7 Jul 96 p 5

[By Willy Wo-Lap lam]

[PTS Transcribed Text for FBIS] President Jiang Zemin has tried to deflect criticism he is erecting a personality cult or engaging in factionalism. Sources said Mr Jiang's personal office had drastically contained the scope of his 70th birthday celebration, on August 17.

Since early this year, supporters of the President and party chief, including a number of politicians who had recently crossed over to the Jiang camp, have said they want to hold a lavish birthday party.

These supporters wanted to play up the fact Mr Jiang was in good health, and that he could serve out a new five-year term he was seeking at the 15th party Congress next year.

However, Mr Jiang has been advised birthday parties are a taboo in the Communist-Chinese tradition.

Neither Chairman Mao Zedong nor paramount leader Deng Xiaoping held such celebrations.

Western diplomats said while Mr Jiang had kept up a vigorous travel schedule in the past year, he had a slight "heart condition".

They said doctors travelling with Mr Jiang paid close attention to details, including the temperature of hotel rooms.

Meanwhile, in internal speeches in early summer, Mr Jiang dismissed claims he is propagating a Shanghai Faction.

"Disregard rumours about a so-called Shanghai Faction," the President, a former mayor and party secretary of Shanghai, reportedly told senior cadres. "I am not a native of Shanghai. I come from Jiangsu province."

Mr Jiang said when he first started working in Shanghai in 1986, he was referred to as a "northern-Jiangsu fellow" by veteran Shanghai cadres.

In Beijing, political analysts said not all of the Shanghai-affiliated cadres Mr Jiang has transferred to the capital are faring well.

Two, vice-head of the party Central Committee's Propaganda Department Gong Xinhan and the vice chief editor of the People's Daily, Zhou Ruijin, have returned to Shanghai.

It is understood Mr Gong, who is recovering from an unknown ailment, will not be returning to Beijing.

Mr Zhou is mainly looking after the paper's Shanghai-based East China edition.

Moreover, a number of Shanghai scholars retained by Mr Jiang as political advisers, including Wang Huning and Li Junru, have not given up their Shanghai positions.

A few of Mr Jiang's aides still reside in the quarters attached to the Beijing office of the Shanghai municipal party committee — an indication they do not consider Beijing their home.

PRC: NPC Passes Three New Laws

HK0807060696 Beijing CHINA DAILY in English 6 Jul 96 p 1

[By Xu Yang: "NPC Session Ends With New Laws"]

[PTS Transcribed Text for FBIS] Three new laws were passed by members of the 20th Standing Committee session of the National People's Congress before the session concluded yesterday in Beijing.

The Auction Law, the Amendment to the Archives Law and the Arms Control Law passed with overwhelming majorities at the Great Hall of the People.

Endorsed by President Jiang Zemin, the Auction Law will take effect on January 1. The Archives Law enters into effect today and the Arms Control Law will be implemented on October 1.

The Energy Saving Law, originally slated to be voted on this session, was held over yesterday.

According to NPC Standing Committee Chairman Qiao Shi who presided over the vote, members raised many questions and made suggestions about the draft law.

"Therefore, the chairmen's meeting decided further adjustments should be made before submitting it to the standing committee session," Qiao told lawmakers.

Chapters will be revised and added to comply with members' demands the law be practical and concrete.

Despite dissatisfaction about the final accounting report on the 1995 budget, most members chose to pass the report by the Ministry of Finance.

The next committee session is in two months.

PRC: Report on Leaders' Activities 28 Jun-4 Jul
OW0607023696

[FBIS Report] PRC media monitored by Okinawa Bureau from 28 June to 4 July carried the following reports on PRC central leadership activities. The source is noted in parentheses after each report.

Chen Junsheng Greetings — The CPC Central Propaganda Department recently held a meeting in Qiqihar City, Heilongjiang Province, on sending cultural products to poor rural areas. State Councillor Chen Junsheng sent a congratulatory letter to the meeting, saying that the job is of great significance in the building of socialist spiritual civilization. Xu Weicheng, deputy director of the CPC Central Propaganda Department, gave a speech at the meeting. (summary) [Beijing Central Television Program One Network in Mandarin 1100 GMT 27 Jun 96]

Zou Jiahua Greets Fair — The 10th export commodities fair in Dalian City was opened on 1 July. Vice Premier Zou Jiahua visited the fair. (summary) [Beijing Central Television Program One Network in Mandarin 1100 GMT 2 Jul 96]

Zou Jiahua at Container Terminal Ceremony — Dalian's container terminal, a joint venture launched by local port authority and a Singapore company, was officially put into operation on 2 July. Vice Premier Zou Jiahua and Singapore ambassador in China attended the inauguration ceremony. (summary) [Beijing Central Television Program One Network in Mandarin 1100 GMT 2 Jul 96]

Buhe, Chen Junsheng Speak at Forum — A forum was held on 2 July to mark the third anniversary of the promulgation of the Agricultural Law and the Agricultural Technology Promotion Law. Buhe, vice chairman of the National People's Congress Standing Committee, and Chen Junsheng, state councillor, gave speeches at the meeting, stressing the importance of implement-

ing these laws and calling for more effectively promoting agricultural technology. (summary) [Beijing Central Television Program One Network in Mandarin 1100 GMT 2 Jul 96]

Ren Jianxin, Luo Gan Praise Police — Ren Jianxin and Luo Gan called on the traffic police detachment of Chengde City, Hebei Province, on the morning of 4 July, expressing appreciation for their outstanding work in the recent anticrime campaign. Ren Jianxin also met with cadres in the judicial organs of Chengde City on 2 July. (summary) [Beijing Central Television Program One Network in Mandarin 1100 GMT 2 Jul 96]

Li Ruihuan, Li Tieying, Chi Haotian Visit Exhibition — On the evening of 4 July, Li Ruihuan, Li Tieying, and Chi Haotian visited the national urban planning exhibition in Beijing. "After visiting the exhibition, Li Ruihuan said: China has achieved great successes in urban construction, but is also confronting challenges. He urged leaders at all levels to attach importance to urban planning and consider urban planning a serious matter." (summary) [Beijing Central Television Program One Network in Mandarin 1411 GMT 4 Jul 96]

Jiang Zemin, Others Inscribe for Guangzhou University — Jinan University in Guangzhou recently celebrated its 90th founding anniversary. Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Rong Yiren, Li Lanqing, Qian Qichen, and Li Tieying have inscribed messages for the occasion. "Jiang Zemin's message reads: Love the country and the university, and press forward in unity. Li Peng's message reads: Continue to run the university by orienting it to the needs of students from Hong Kong, Macao, and the overseas. Qiao Shi's message reads: Contribute to national reunification and revitalization by striving to make the university a university with distinctive characteristics for Chinese from overseas. Li Ruihuan's message reads: Carry forward the patriotic tradition and work for building a stronger China." (summary) [Beijing China Radio International in Mandarin to Hong Kong, Macao, the Zhu Jiang Delta, and Southeast Asia 0900 GMT 1 Jul 96]

Li Tieying Calls On Athletes — On 28 June, being entrusted by Premier Li Peng, State Councillor Li Tieying called on athletes in a sports center run by the Training Bureau of the State Sports Committee. The athletes are making preparations for attending the Olympic Games in Atlanta. Li Tieying watched their exercises and performances and encouraged them to win good results. (summary) [Beijing XINHUA Domestic Service in Chinese 1448 GMT 28 Jun 96]

Song Ping, Deng Lique Visit Exhibition — On 28 June, Song Ping and Deng Lique attended the opening ceremony of an exhibition of paintings by a

contemporary Chinese painter in Beijing. (summary) [Beijing XINHUA Domestic Service in Chinese 1342 GMT 28 Jun 96]

Jiang Zemin Speech Published — Jiang Zemin's speech delivered on 21 June at a forum to mark the 75th anniversary of the CPC's founding was published by the People's Publishing House and distributed to book shops in all parts of the country. (summary) [Beijing XINHUA Domestic Service in Chinese 1335 GMT 28 Jun 96]

Liu Huaqing, Others Send Condolences — "Comrade Feng Yongshun, former deputy director of the General Logistics Department of the People's Liberation Army, died of illness in Beijing on 30 May at the age of 85. Liu Huaqing, Zhang Zhen, and Hong Xuezhi have expressed their condolences in one way or another for Comrade Feng Yongshun." (summary) [Beijing XINHUA Domestic Service in Chinese 0813 GMT 1 Jul 96] **Luo Gan Expresses Condolences** — A police officer in Haicheng City, Liaoning Province, was killed and another was seriously wounded when chasing a criminal offender on 29 June. State Councillor Luo Gan gave instructions to the local authorities to rescue the wounded officer and expressed condolences to the family of the dead via the Ministry of Public Security. (summary) [Beijing XINHUA Domestic Service in Chinese 0813 GMT 1 Jul 96]

Zou Jiahua, Hou Jie at Exhibition — On 3 July, Vice Premier Zou Jiahua and Construction Minister Hou Jie attended the opening ceremony of the national urban planning exhibition in Beijing. The exhibition is held by the Ministry of Construction and other institutions. (summary) [Beijing XINHUA Domestic Service in Chinese 0618 GMT 3 Jul 96]

Liu Huaqing, Others Visit Exhibition — On 3 July, Liu Huaqing, Zhang Zhen, and Chi Haotian, vice chairmen of the Central Military Commission, together with Hong Xuezhi, Wang Ke, and some old generals, visited an exhibition of paintings by General Zhu Dunfa. (summary) [Beijing XINHUA Domestic Service in Chinese 1309 GMT 3 Jul 96]

PRC: Li Zhongli Reports to NPC Committee on Final 1995 Budget

OW0807045896 Beijing XINHUA Domestic Service in Chinese 1435 GMT 3 Jul 96

[By reporters Liu Siyang (0491 1835 2254) and Wang Jinfu (3076 6855 4395)]

[FBIS Translated Text] Beijing, Jul 3 (XINHUA) — Entrusted by the State Council, Finance Minister Liu Zhongli today delivered a report on the central gov-

ernment's 1995 final accounts to the 20th meeting of the Eighth National People's Congress [NPC] Standing Committee.

Liu Zhongli said: The central government's 1995 final accounts were basically in line with the budget approved at the Third Session of the Eighth NPC. The increase in total revenues exceeded that of total expenditures, bringing the deficit below the figure called for in the budget.

Liu Zhongli said: Total revenues were 386.66 billion yuan, or 101 percent of the budget, an increase of 3.909 billion yuan over the budgeted amount or 11.2 percent over the previous year's figure. Of the total revenues, revenues at the central level were 325.662 billion yuan, 101.2 percent of the figure called for in the budget; while local revenues delivered to the central government were 61.001 billion yuan, 102 percent of the budgeted figure. The increased revenues were mainly used to pay for increased fund transfers to the central and western regions, to cover the non-interest-accruing credits of money-losing grain enterprises, to pay for disaster relief, and to make up the deficit. Total expenditures were 452.945 billion yuan, or 100.8 percent of the budget, an increase of 3.511 billion yuan over the budgeted figure or 9.3 percent over the previous year. Of the total expenditures, expenditures at the central level were 199.539 billion yuan, 97.6 percent of the budgeted figure; while tax refund and subsidies to localities were 253.406 billion yuan, 103.5 percent of the figure called for in the budget. The budget deficit of the central government stood at 66.282 billion yuan, 398 million yuan lower than the budgeted deficit of 66.68 billion yuan.

Liu Zhongli said: The state Auditing Administration audited the implementation of the 1995 budget in accordance with the law. The auditing is an important measure toward strengthening the management of the central government's budget. The result of the auditing shows that the 1995 budget was well implemented. However, there were also some problems. The main problems were: In some areas, the state's financial and economic rules and regulations were not strictly adhered to, the internal control mechanism and external supervisory mechanism related to financial affairs were not sound, and some of the unscientific, irregular management methods existing before the promulgation of the Budget Law were still being used. We have corrected some of the problems in the 1995 final accounts and made improvement in others in the 1996 budget.

**PRC: Legislators Stress 'Control' of
Extra-Budgetary Funds**

*OW0407140596 Beijing XINHUA in English
1356 GMT 4 Jul 96*

[FBIS Transcribed Text] Beijing, July 4 (XINHUA) — China's financial departments must take a tough stand on the control and spending of extra-budgetary funds to prevent further government corruption and waste, many Chinese lawmakers requested today.

Former Beijing leaders Chen Xitong and Wang Baosen "have taught us a grave lesson in this matter," said Xu Jing, member of the National People's Congress (NPC) Standing Committee.

Wang committed suicide because he feared prosecution for corruption charges. Chen resigned as Party Chief of Beijing because of his involvement in Wang's case.

Members of the top legislative body were reviewing reports given yesterday by Finance Minister Liu Zhongli and General Auditor Guo Zhenqian, that covered final accounts of central finance and the auditing results on the budget enforcement by central government departments.

The extra-budgetary funds exceeded 200 billion yuan in 1995, accounting for more than half of the central budgetary revenues, according to the reports.

"Such a tremendous amount of state money under the control of government departments without strict control would mean waste and corruption," said Wu Shuqing, member of the NPC Standing Committee.

Another legislator, He Wanfen, said the country must resolve this problem, otherwise "the money earned by the people through hard labor will continue to be drained from the state coffer, and a number of officials would degenerate into corruption because of the loose management system."

Guo's report exposed for the first time the fact that some financial departments once inappropriately used state money to invest in the security markets. Guo's report was highly praised by legislators Huang Yuzhang and Hao Yichun.

They said the problems discovered by auditors must be taken seriously by the financial and other departments. And auditors "should continue to work this way," Huang said.

Many other legislators said that too much money has been spent to set up the local branches of the State Taxation Administration.

The excessive payments for tax collectors and bank employees have affected fair distribution of incomes,

and must be addressed, said Liu Guoguang and Ye Shuhua.

Many lawmakers expressed their excitement for the report given by the auditor-general. Another report, given by Wang Bingqian, vice-chairman of the NPC Standing Committee, detailed how the environmental laws are enforced for their effective supervision over relevant departments and localities.

"Such reports indicated that building of the socialist legal system and supervision by the top legislature have been fruitful," said Feng Zhijun, member of NPC Standing Committee.

**PRC: Qian Qichen: Beijing Has 'Problem' With
Muslim Separatists**

*OW0507175896 Hong Kong AFP in English
1753 GMT 5 Jul 96*

[FBIS Transcribed Text] Almaty, July 5 (AFP) — Chinese Foreign Minister Qian Qichen admitted Friday Beijing had a problem with Moslem separatists in its central Asian Xinjiang province, but warned ethnic Uygurs there against pushing for independence.

"Yes there is an organization called 'Eastern Turkestan' or 'Uygurstan' and our government is opposed to separatist activities, whatever they may be," Qian told a press conference here.

"(Former Soviet) Central Asian heads of state have given the Chinese government their support on this issue," added Qian, who is accompanying Chinese President Jiang Zemin, who began Thursday a state visit to Kazakhstan.

However, Qian failed to mention clashes between Uygur separatists and government forces, reports of which reach Uygur organizations in Kazakhstan on a daily basis.

Uygur moderates have set up in Kazakhstan, which shares a 1,700 kilometer (1,000 mile) border with China, where exile groups claim the Chinese authorities have rounded up more than 5,000 Moslem activists in Xinjiang province over the last two months.

Earlier in a joint statement Jiang and his Kazakh host Nursultan Nazarbayev said the two countries would not allow any separatist group to act on their territories against the integrity of the other state.

The neighbors "underlined that they were opposed to national separatism," and stated that Taiwan was an integral part of China, the Kazakh president vowing not to entertain relations with the nationalist island, regarded by Beijing as a renegade province.

Kazakh Foreign Minister Kasimzhomart Tokayev and Qian signed an extradition treaty, and an accord governing cooperation between their central banks.

On Friday the Chinese and Kazakh delegations were to continue talks before Jiang on Saturday returns to Beijing.

PRC: Official Says Li Peng Sends Congratulations on Satellite

*OW0407092196 Hong Kong AFP in English
0911 GMT 4 Jul 96*

[FBIS Transcribed Text] Beijing, July 4 (AFP) — Chinese Prime Minister Li Peng congratulated the heads of the Chinese space program after the successful launch Wednesday [3 July] of an Apstar 1-A satellite that helped wipe out memories of a disastrous failure in February.

"Prime Minister Li and the vice chairman of the central military commission, Liu Huaqing, telephoned Wednesday evening after watching the launch on television, to let us know of their joy and congratulate us," Sun Shaolin, spokesman for the China Aerospace Corporation (CASC) told AFP Thursday.

"Before the launch Wednesday, everybody was waiting anxiously, but confidence has been renewed after seeing the Long March 3 rocket take off from the space center at Xichang, with many crying tears of joy," Sun said.

"We feel confident of succeeding with the next launches, especially as we have totally mastered the technique of the new Long March 3B rocket," he said.

Sun said two other satellites would be launched in August and October — the ChinaSat-7 built by US-based Hughes Aircraft for the Chinese Ministry of Post and Telecommunications, and the Chinese-designed The East is Red-3 telecommunications satellite.

The Long March 3-B will not be used before next year.

The telecommunications satellite Apstar-1A, built by Hughes for the Hong Kong concern APT Satellite Corp. Ltd., was put into orbit 24 minutes after takeoff at 18:47 (1047 GMT).

The launch was viewed as reversing the space program's setback after the February 15 explosion of a Long March 3B rocket and its Intelsat satellite, in which six people were killed and 57 injured.

The rocket exploded just seconds after takeoff on its maiden launch.

After that failure — the fourth in just over three years for the Chinese aerospace industry — foreign insurance and reinsurance companies immediately suspended cov-

erage of all launches pending the outcome of the investigation.

The spokesman said the investigation's conclusions, prepared by a group of international experts, would be published "soon," but did not specify when. "That depends on the American side, as we already gave our report in May to the Intelsat consortium in Washington, and to the American satellite manufacturer, Space Systems/Loral," he said.

"We now have to wait for their agreement."

The launching of the Apstar-1A satellite had been insured for 130 million dollars by the Chinese Pacific Insurance Company (CPIC), which shared the risk with 30 other insurance firms, including Munich Reinsurance, the world's leading insurer. The loss of the Intelsat satellite cost its insurers 200 million dollars, which in January 1995 had already paid for China's failed Apstar-2 launch, also running 200 million dollars.

CPIC general manager Lin Zhongjie, quoted Thursday in the Chinese newspaper Financial Times, said that after Wednesday's success, his company was "ready to offer good terms for insuring Chinese and foreign satellite launches."

Since its debut in the 1970s, the Chinese space program has successfully launched 37 Chinese and nine foreign satellites.

Even though Chinese rocket launchers are considered "a bit old-fashioned" by western experts, their prices are lower than the US-based NASA or the French-controlled consortium Ariespace.

PRC: Central Propaganda Department Bans Import of Foreign Films

*HK0807060396 Hong Kong MING PAO in Chinese
5 Jul 96 p A10*

[Report: "Central Propaganda Department Issues Order Banning Import of Western Films"]

[PTS Translated Text for FBIS] According to a source, at the request of the Central Propaganda Department, the Ministry of Radio, Film, and Television has decided to suspend implementation of the plan to import ten "major films" a year. The central authorities have recalled the powers of the television stations at all localities of importing and showing foreign films and television series. The Central Propaganda Department asserted that the move does not mean a ban on the import of U.S. films, but that Western works will be strictly selected. A Disney film "Toys" has been allowed to be shown on the mainland.

Ding Guangeng, head of the Central Propaganda Department, said that U.S. films have swarmed into the mainland's film and video field while it has been very difficult even for China's film and video goods to squeeze into the U.S. market and be shown on the screen for a minute. Objectively, it constitutes an infiltration of U.S. culture, which is disadvantageous to the efforts made by the CPC to strengthen the cultural environment of spiritual civilization building.

On the eve of the Sixth Plenary Session of the 14th CPC Central Committee, the departments in charge of ideology have apparently restricted external cultural exchanges. Apart from the contracts already signed, the exchange and cooperative items signed by the film, television, and other cultural performance troupes with the United States and other Western nations are all subject to strict screening. In order to extricate from the predicament of a slump in the mainland's film market, the authorities have since last year allowed the China Film Import and Export Corporation, which is under the Ministry of Radio, Film, and Television to import 10 high-class and best received films.

Hollywood Films Are Disadvantageous to Spiritual Civilization Building

This move by the authorities evoked strong repercussions from Chinese movie watchers. U.S. films including "Forrest Gump," "True Lies," "Speed," "Schindler's List," the "Piano," and the "Bridges of Madison County" quickly entered China's market and were box-office successes. Since the beginning of this year and particularly since Jiang Zemin made the instruction of "laying stress on politics," marked changes have taken place at the management level. The Ministry of Radio, Film, and Television issued an order on shelving the plan on annually importing 10 major films. It is said that there are no plans for foreign films to be shown on the mainland in the latter half of the year.

Although the plan of the China Film Import and Export Corporation to import 10 major films a year did not include U.S. films and the corporation had also imported Hong Kong films including "Rumble in the Bronx," the plan to import major films has been focused on new U.S. films because Hong Kong and Taiwan films are not well received compared with the U.S. ones.

A source said that officials of the Central Propaganda Department in Beijing are rather nervous at the situation of the swarming of the U.S. video and film culture into the mainland and have urged the Ministry of Radio, Film, and Television to review the policy of importing large amounts of U.S. films. Ding Guangeng pointed out that China's movie theaters and television stations are all showing U.S. films and television series. In the

evening, almost all the television channels are occupied by U.S. soap operas. However, it has been hard for China's films and television series to enter the U.S. market. It has been difficult even for a minute of news to be shown on U.S. television stations. The public television stations of Japan have never shown China's television series. All this shows that Sino-foreign cultural exchanges are unequal and have a strong color of cultural infiltration. Ding Guangeng urged the Ministry of Radio, Film, and Television to study the issue under the situation of the whole party grasping the building of spiritual civilization and create a suitable "cultural environment" for the Sixth Plenum.

Nevertheless, many people from the mainland film and television circles complained against Ding Guangeng for "creating hostility" and also criticized the short-term behavior of the Ministry of Radio, Film, and Television aimed at meeting the circumstances. At the time when a lot remains to be done by the China-made films to reach international standards, there is a great market demand for U.S. films. The administrative means adopted by the authorities to stop the import of foreign films will only turn out the opposite social effects.

PRC: Dissident Liu Nianchun Gets New Sentence, on Hunger Strike

OW0507122396 Hong Kong AFP in English
1204 GMT 5 Jul 96

[FBIS Transcribed Text] Beijing, July 5 (AFP) — The wife of dissident Liu Nianchun, sentenced to three years in a labor camp without trial, said Friday her husband is on hunger strike and in poor health.

"I have heard his health is very bad and he is on hunger strike. Some people told me his weight has dropped from 75 kilograms (165 pounds) to under 65 kilograms (143 pounds)," Chu Halian said.

But police denied this, she said, explaining that he had skipped only a couple of meals.

Liu disappeared on May 21, 1995, several months after he signed a petition demanding the government give workers labor rights and allow unions.

Chu cried as she described how her hopes of seeing her labor activist husband were dashed when police called her to say they had cancelled her visit.

"Yesterday I was told to go to Tuanhe Labour Camp today but this afternoon they cancelled without telling me why," she said by telephone.

"I went to ask police why they changed their minds and nobody would talk to me. Now I really don't know

where is the dignity and respect of the law. It's a joke," she added.

Chu said Thursday's notification from the Beijing Re-education Through Labor Bureau to visit her husband was the first news of him she had received since his disappearance.

Police can impose re-education though labor sentences of up to three years without putting suspects on trial.

"I am furious," Chu said, "Just recently I learned they've sentenced him to three years in that place and they aren't even going to count the 13 months he has spent there." Liu is accused of writing a petition with Wang Dan which "defames the government," and of being behind another petition — along with Yuan Hongbin, Wang Jiaqi and others — that demanded labor rights, she said. He is also accused of receiving money and help from the "foreign illegal and reactionary organisation" — Human Rights Watch Asia.

"But actually none of these things are against the law," Chu said, asking for international aid and concern for her husband.

"What am I going to do, I don't know what is his destiny in that place. If I think of the future I see nothing clearly, only black. I have a young daughter, an old mother and we're all alone," she sobbed.

PRC: Taiwan Red Cross Sends Aid to Flood-Hit Areas

*OW0607051996 Beijing XINHUA in English
0204 GMT 6 Jul 96*

[FBIS Transcribed Text] Beijing, July 6 (XINHUA) — The Red Cross Society of China sent 400,000 yuan in emergency aid to flood-stricken provinces of Guizhou, Anhui and Zhejiang Friday [5 July].

A task force headed by Sun Baiqiu, the society's deputy president, has also been dispatched to help organize local disaster-relief work.

Continuous heavy rains led to ravaging floods in those provinces this week, leaving at least 237 dead and 1.3 million hectares of farmland swamped, according to official figures.

The Red Cross Society in Hong Kong has decided to donate 600,000 yuan to those areas, while the Red Cross Society in Taiwan Province has also decided to provide 200,000 U.S. dollars in emergency aid.

Science & Technology

PRC: Companies To Provide Risk Insurance for Satellite Launches

*OW0407075996 Beijing XINHUA in English
0721 GMT 4 Jul 96*

[FBIS Transcribed Text] Xichang, July 4 (XINHUA) — Chinese insurance companies are to cooperate with the international insurance world to provide risk guarantee for China's satellite launches.

In an interview with XINHUA today after the successful launching of Apstar 1A at Xichang Satellite Launching Center in southwest China's Sichuan Province, Lin Zhongjie, General Manager of China Pacific Insurance Company said: "The aero-space industry is high-tech, and also high-risk. Our Chinese insurance companies have the responsibility, and are capable for supporting China's aero-space industry."

China Pacific Insurance Company is the general insurance contractor of the Apstar 1A.

Lin said his company provided insurance premiums worth 130 million U.S. dollars for the satellite's launch and successful movement into orbit.

The successful launch of Apstar 1A, with a Long March 3 rocket, he added, not only delighted China's aerospace circles, but also greatly encouraged Chinese and foreign insurance companies to continue their support for the development of China's aero space industry.

Since 1992, China Pacific Insurance Company, and some other Chinese companies, have jointly provided insurance for the launching of seven Chinese and foreign satellites, and paid compensation for the failed launches of two satellites.

Lin said the compensation for Hong Kong's Apstar 2 reached 160 million US dollars.

Zhang Fuwei, representative of U.S.'s Johnson & Higgins, one of the three biggest insurance consulting companies in the U.S., and one of the contracted insurance companies for Apstar 1A, said at the Launching Center that "the successful launching proved again the strength of China's aero-space industry, and we have much faith in the aero space industry insurance service in China."

PRC: 'Roundup' Views Achievements in Space Technology

OW0407124596 Beijing XINHUA Hong Kong Service
in Chinese 1438 GMT 3 Jul 96

["Roundup" by XINHUA reporter Cao Zhi (2580 2535):
"China's Space Industry Enters a New Stage of Development"]

[FBIS Translated Text] Beijing, 3 Jul (XINHUA) — This evening, China sent a communications satellite named Apstar-1A into space from its southwest satellite launch base — the Xichang Satellite Launch Center.

This was the 47th launch by China since 1970, when it acquired satellite launch technology. People in relevant circles said: The current successful launch shows that China's space industry has entered a new stage of development.

Since 1970, China has acquired the technology to develop and launch satellites that settle into three different types of orbits — satellites for scientific experiments, retrievable satellites, and weather satellites that settle into sun-synchronous orbits.

Although the number of satellites sent into space by China is small compared to other countries that have acquired similar technology, China has joined the world's advanced ranks in some important fields of space technology, which mainly include satellite retrieval technology, technology for launching several satellites on a single rocket, satellite tracking technology, high-energy and low-temperature fuel rocket technology, and geostationary satellite launch technology.

It has been reported that China became the third country in the world to acquire the ability to launch retrievable satellites on its own, and the fourth country to acquire the ability to launch several satellites on a single rocket.

Besides improving its satellite launch technology, China built three modern satellite launch sites each at Jiuquan, Xichang, and Taiyuan. It has groomed and trained a large number of prominent space experts, and has over 40,000 senior space science researchers and engineering and technical personnel. Its prominent space experts — typical examples of whom include Ren Xinmin, chief designer of satellite communications projects; Tu Shoue, chief long-range rocket designer; and Huang Weilu, chief solid-fuel rocket designer — are renowned at home and abroad. Young and middle-aged technical personnel have also become the core members of the space industry. At present, more than 700 young scientific and technological personnel who are 35 years old or younger hold senior technical positions.

It has been reported that since the policy of reform and opening up was implemented, as many as 10,000 scientific and technological achievements in China's space industry have been granted scientific and technological progress awards at or above the ministerial level, or national invention awards. These achievements are mainly related to the manufacturing, launching, retrieval, and tracking of artificial satellites; the manufacturing and launching of carrier rockets; and the development and production of relevant civilian goods.

In 1990, China entered the international commercial satellite launch market as it sent a U.S. satellite into orbit for the first time. Today's satellite launch is China's 11th commercial launch.

Although China's space industry has scored tremendous achievements and entered the international commercial satellite launch market, a Chinese space official reiterated: International commercial satellite launch service is a useful supplement as China seeks to enter the international space technology market. China is willing to join hands with other countries in developing space resources for the benefit of mankind.

PRC: Optical Fiber Cable To Provide Link With Southeast Asia

OW0407103396 Beijing XINHUA in English
1023 GMT 4 Jul 96

[FBIS Transcribed Text] Beijing, July 4 (XINHUA) — China has signed memoranda with five Southeast Asian countries for construction of an 8,000-kilometer optical fibre linking China with Vietnam, Laos, Thailand, Malaysia, and Singapore.

According to an official from the Chinese Ministry of Post and Telecommunications, the optical fibre is another major international cable project, similar to those that connect China with Japan, the Republic of Korea, Europe, and other parts of the world.

The official said that there has been a boom in telecommunication business between China and Southeast Asia and more frequent contacts have made it difficult for satellite and maritime systems to keep up with demand.

To promote exchanges between China and Southeast Asia, China Telecom and Singapore proposed construction of a cable in May, 1994, and were later joined by Laos, Thailand, Malaysia, and Vietnam.

The optical fibre starts in Shanghai, passes through Vietnam, Laos, Thailand, and Malaysia, before reaching Singapore. By using advanced optical fibre telecommunications technology, the system can provide access to 30,000 digital circuits and free lines for domestic communication, the official said.

The partner countries will be responsible for the 400 million US dollars in construction funds, 140 million US dollars of which will be paid by China.

The Chinese section of the cable runs for 3,900 kilometers, going through Hangzhou, Nanchang, Changsha, Nanning, and Pingxiang before entering Vietnam. Another section starts at Guangzhou and goes to Vietnam via Nanning and Pingxiang.

When the cable opens to traffic in early 1998, it will link China with Europe and the rest of the world by Euro-Asia optical fibre and the Indian Ocean's international marine cable via Singapore, the official said.

PRC: Heilongjiang Digital Communications Network Made Available

SK0507063896 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 4 Jul 96

[FBIS Translated Text] The provincial digital communications network has been completed and put into operation. Digital communications are the communications between different computers as well as a major component of the information highway. Since 1992, the province has invested a total of 200 million yuan in building the provincewide digital communications network. So far, the province has completed building a group exchange network with postal and telecommunications functions covering all prefectures, cities, and counties; a digital data network; and an internet system that links up all countries worldwide.

PRC: Shandong's Jinan Connects With National Internet Network

SK0607094896 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 5 Jul 96

[FBIS Translated Excerpt] On 5 July, the Jinan Telecommunications Bureau declared that the Jinan network of China's telecommunications Internet is formally available to users. The Jinan network is a key component of China's main Internet. Jinan is the first city to connect to the Internet since the municipalities of Beijing and Shanghai were connected in 1995. This indicates that Jinan has elevated its communications work to a new height.

The Internet, an information superhighway, is the largest computer network in the world, and is connected to more than 6 million computers in 173 countries and regions in the world. [passage omitted]

PRC: Second Nuclear Plant Taking Shape

HK0807055696 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 7 Jul 96 p 3

[By Ng Kang-Chung]

[PTS Transcribed Text for FBIS] The second nuclear power plant within 60 kilometres of Hong Kong is taking shape amid fears over safety and marine contamination.

A Guangdong bay is being reclaimed and swathes of hillside cut away for foundation work on the twin reactor nuclear power plant in Lingao just one kilometre east of the problem-plagued Daya Bay plant.

The Lingao project is a replica of the controversial Daya Bay plant, on the Chinese side of Mirs Bay.

It has two 985-megawatt reactors produced by French nuclear supplier Framatome and turbines by Anglo-France power equipment firm GEC-Alsthom — the same team which built the Daya Bay plant.

China aims to build during its Ninth Five-Year Plan four more nuclear power plants with eight generators capable of pumping out 6,600 megawatts of electricity.

Anti-nuclear campaigners in Hong Kong are concerned about possible radiation leaks from Daya Bay, despite Security Branch assurances that only the border island of Ping Chau would be affected in the worst scenario.

Malfunctions and stoppages have been crippling the Daya Bay plant, which has been forced to shut down at least twice in the past year.

A report by China's State Bureau of Oceanography has also detected nuclear material in marine life near the Daya Bay plant.

But Lingao Nuclear Power Company's deputy general manager, Liu Jinhua, who inspected the construction site with other officials yesterday, said sea life would not suffer with one more nuclear plant.

"Our studies show sea temperature will rise by no more than one degree when both plants are in operation. It does no harm to marine life; in some respects, it may help seaweed grow," Mr Liu said.

"The water won't be contaminated. You can actually swim here. In foreign countries, some beaches are close to nuclear power plants too."

The Agriculture and Fisheries Department said it had not checked fish for radioactive contamination, but said waters off Daya Bay were not popular for fishing.

The two reactors at the Lingao plant are due to be commissioned in 2002 and 2003. China has plans to

raise US\$4.1 billion (HK\$31.7 billion) in foreign funds to build the plant.

In the first half of the year, the Hong Kong Nuclear Investment Company, which owns 25 per cent of the Daya Bay plant, reported about 15 "operational events".

Public affairs manager John Tang Ho-pak said the events were minor incidents and only three had led to suspensions of service.

Legco environmental affairs panel deputy chairman Dr John Tse Wing-ling criticised management for a lack of "transparency".

"Even one accident has been too many. We cannot be too careful," Dr Tse said. "We have repeatedly urged the management to release reports on the incidents but they have ignored us."

PRC: Heilongjiang Science, Technology Information Network Opens

OW0807084896 Beijing XINHUA in English
0818 GMT 8 Jul 96

[FBIS Transcribed Text] Harbin, July 8 (XINHUA) — The country's first network for science and technology information has been hooked up in Harbin, capital of northeast China's Heilongjiang Province, moving the province's office automation forward a bit.

The network was set up by the provincial Science and Technology Commission and is the country's only test network set up by the State Science and Technology Commission.

It links government departments, research institutes, institutions of higher learning, and enterprises across the province by computer via the public data exchange network, and has access to more than 20 data banks, such as for China's patents, enterprise information, and science and technology achievements.

The latest information domestically and from abroad is available on the network, and international communications and information inquiries can be relayed by the network.

Military & Public Security

PRC: Liu Huaqing Stresses Strengthening of Military Research

OW0807044996 Beijing XINHUA Domestic Service in Chinese 1324 GMT 05 Jul 96

[By Jiang Wenming (1203 2429 2494) and Bao Guojun (0545 0948 0193)]

[FBIS Translated Text] Beijing, 5 Jul (XINHUA) — Liu Huaqing, member of the Standing Committee of

the Political Bureau of the CPC Central Committee, and vice chairman of the Central Military Commission, emphasized at today's Fourth All-Army Military Sciences Research Work Meeting that science and technology should be used to strengthen the armed forces, that theories should go ahead of other things, and that research on military sciences should in future only be strengthened and not be weakened. He pointed out that during the Ninth Five-Year Plan period we must use high-standard, high-quality, and high-level research achievements to provide an advisory service for the Central Military Commission and its general departments in making policy-decisions, and to provide theoretical guidance for the construction and combat of the armed forces, and for teaching work at military academies.

In his speech, Liu Huaqing praised science research personnel of the Academy of Military Sciences and of all the armed forces for making concerted efforts in boldly doing pioneering work, taking as guidance Comrade Deng Xiaoping's thinking on army-building in the new period, and positively contributing to the military sciences of our country so that they could flourish and develop during the Eight Five-Year Plan period. He pointed out that research on military sciences is indispensable in making important policy-decisions on army-building. In particular, as the world situation and the international strategic pattern undergo great changes, and modern science and technology develop rapidly, research development in military sciences has a direct bearing on the quality of the building of our armed forces. He said research on military sciences should proceed from the current new situations, new circumstances, and new tasks, closely link with reality, strengthen exploration in army-building and in theories on future wars, and strengthen exploration of the structure, size, strategies, tactics, education and management of the armed forces, and other aspects. Such research should have key points, and research on topics that can directly promote army-building should be firmly grasped. It is necessary to strengthen leadership over research in the military sciences and to strengthen the management of scientific research so that work in this respect can be done even better.

Liu Huaqing stressed the necessity of giving prominence to research on improving the quality of the armed forces. He pointed out that the development trend among the armed forces in various countries of the world today is to take the road of developing crack troops and to take the road of improving the quality of troops. The party Central Committee and the Central Military Commission have always attached great importance to improving the quality of the armed forces. In the first few years after the founding of the country, Mao Zedong,

Zhou Enlai, and other proletarian revolutionaries of the old generation had already put forward the necessity of reducing the quantity of the troops and improving the quality. Since the beginning of reform and opening up, Comrade Deng Xiaoping has on many occasions put forward the need to reduce the number of troops and to reorganize them, and to move toward having crack troops. Jiang Zemin, chairman of the Central Military Commission, has also given a series of important instructions on improving the quality of the armed forces in the new period. The research on military sciences should seriously explore this and quickly produce better results, and should play an even better role in giving guidance.

Wu Quanxu, deputy chief of general staff of the People's Liberation Army, attended the meeting and made a speech. Xu Huizi, commandant of the Academy of Military Sciences, Zhang Gong, political commissar of the Academy of Military Sciences, and leaders in charge of research on military sciences of major units of the armed forces also attended the meeting.

PRC: Military Scientific Research, Focus on Quality Stressed

OW0507165696 Beijing XINHUA in English
1546 GMT 5 Jul 96

[FBIS Transcribed Text] Beijing, July 5 (XINHUA) — Scientific research on China's military must be strengthened, and the work should focus on improving quality of the armed forces, Vice-Chairman of the Central Military Commission Liu Huaqing said today in Beijing.

"Such research should only be strengthened, not be weakened," Liu stressed at the fourth national meeting on military research.

During the next five years, research into the military should focus on major practical issues concerning the army's organization and combat capability, such as the establishment of army units, military strategies and the management of troops.

"Research should produce high-quality results that can serve as reference for the military decision-making bodies, as theory for guiding our army in field work, and as textbooks for military institutions," said Liu, who is also a member of the Standing Committee of the Political Bureau of the CPC Central Committee.

He pointed out that the advances in military scientific research affect the quality of China's army, especially in light of the present international situation and achievements in modern science and technology.

PRC: Qinghai Commander on Armed Forces Work
SK0607084496 Xining QINGHAI RIBAO in Chinese
11 Jun 96 p 2

[Article by Zhang Meiyuan, standing committee member of the Qinghai Provincial CPC Committee and commander of the provincial military district: "Persist in the Policy that the Party Manages the Armed Forces, and Perfect the Leadership System"]

[FBIS Translated Text] The formation of the socialist market economy and the change of the military strategic policy in the new age bring about new tasks in the construction of the national defense reserve service forces. The key to meeting the requirements of the new situation and ensuring a sustained and sound construction of national defense forces is to realistically persist in the policy in which the party manages the armed forces and perfects the leadership system.

Persisting in a policy in which the party commands and leads the armed forces in a unified manner is a fundamental guarantee for the sustained and sound development of national defense reserve forces. Many new situations and new problems related to the construction of the national defense reserve service forces have surfaced along with the setup of the socialist market economy and the change in the military strategic policy in the new age. The task for building the reserve service forces become heavier under the complicated international environment and during the struggle against the enemy. Along with the application of new high-technology to the military field, we should rely more on reserve service forces and national defense mobilization. In taking the path of developing better troops under conditions where China is not rich, strengthening reserve service forces, perfecting the national defense mobilization system, and winning victory in the partial war with high-technology are key tasks for implementing the military strategic policy both at present and in the foreseeable future. Qinghai is a province inhabited by people of various nationalities. So, the work in various spheres, such as mobilization of troops, the development of the national economy, and the maintenance of stability, has a bearing on the overall situation. All levels of party committees, governments, and military organs should fully understand that strengthening the construction of the national defense reserve service forces in the new era is needed in the construction of the economy and national defense; and should be approached from the high plane of safeguarding state security, stability, and construction to fulfill the key missions entrusted by the party and the people.

Persistently proceeding from the province's actual conditions and conscientiously implementing the leadership

system in which the party manages the armed forces, are fundamental measures for ensuring sound development of national defense reserve forces. The construction of national defense forces is a key component part of the party's work, as well as a key duty of the party committees, governments, and military organs at various levels. The local party committees, governments, and military organs in our province should do well to implement the systems as follows:

The dual leadership system. Departments under the provincial military district should accept the organizational leadership of the higher-level military departments and the local party committees at the same levels; be subject to the unified leadership and command of the higher-level military departments in the aspects of army building, war preparations, and organizational system; accept the leadership of both higher-level military departments and the local party committees at the same levels in regard to the construction of reserve service forces, national defense mobilization, and the work regarding conscription and retirement; accept the leadership of the governments at the same levels in regard to the military service work; and accept the leadership and supervision of the higher-level political organs and the local party committees at the same levels in the aspects of implementing the party's line, policies, and principles. Simultaneously, the provincial military district, military subdistricts, and the people's armed forces departments are functional departments in charge of the work of the armed forces on behalf of the party committees and governments. The instructions and requirements of the provincial military district, military subdistricts, and the people's armed forces departments, like those of the party committees and governments, should conscientiously be observed by the party committees and governments at the lower levels.

Local party committees and governments should persist in the system that party committees "discuss military affairs." That is, they should study and implement the party Central Committee, the State Council, and the Central Military Commission's policies and principles on strengthening the construction of national defense reserve service forces and study ways to solve the major problems arising from construction of national defense reserve service forces. Local party committees, local governments, and enterprises should bring the armed forces work in line with their management plans. Enterprises and establishments should bring militia and reserve service forces work in line with the plant directors (managers) responsibility system and their development plans; and politically, organizationally, and militarily strengthen the militia work. Units and individuals that do not attend to reserve service forces

work should be punished according to the "militia work regulations" and the "national defense law."

The system of having leading cadres hold a concurrent post. Secretaries of local party committees at various levels are first secretaries of the party committees of the military organs at the same level. Thus, they exercise the collective leadership of military organs; accept, as first secretaries, the leadership of the higher-level military organs' party committees and higher-level political organs when handling related military affairs and armed forces work; comprehensively attend to the work of the national defense mobilization committees; regularly handle affairs for military organs at the same level; study ways to solve major problems related to construction of national defense reserve service forces; and cooperatively accomplish the mission of building reserve service forces.

The provincial military district, military subdistricts, and county (city and district) people's armed forces departments should have one of their principal leaders join the standing committees of party committees at the same level. They should have one of their leaders attend routine work conferences of governments at the same level as either voting or nonvoting delegates. Full-time directors of township (town) people's armed forces departments should join the leading bodies of party committees at the same level. In addition to jobs related to their professional work, such as safeguarding public order and comprehensively improving the social order, full-time grass-roots armed forces cadres must not, in general, hold other posts, in an effort to concentrate the main energy on attending to armed forces work. The armed forces departments of plants (mines) and enterprises should be subject to the leadership of party committees. In organizational reform, we must keep armed forces organizations and install them with full-time competent cadres.

Set up and perfect a work system for the national defense mobilization committees. According to the policy where the party manages armed forces work, national defense mobilization committees at various levels should organize national defense mobilization organs with authority and high efficiency, dealing with concrete deeds. They should be composed of principal party, government, and army leaders and leaders of related departments, and exercise unified and centralized leadership and command. These organs should conscientiously fulfill their duties and comprehensively fulfill their tasks under the leadership of the higher-level national defense mobilization committees and party committees, governments, and military organs at the same level.

The system where military organs should submit work reports to party committees and governments at the same level. As functional departments for building national defense forces, military organs at various levels must persist in a system of reporting their work to party committees and governments at the same level while submitting their work reports to higher-level military organs. Military organs should ensure they actively report their major situations, actively ask for instructions when organizing large-scale activities, actively fulfill the central tasks, and actively participate in urgent, dangerous, and difficult tasks.

A system of applying to relevant departments for approvals when using militiamen and reserve service forces. Reports on use of militiamen and militia arms should first be studied by relevant party committees and then sent to relevant departments for approvals. Therefore, we should clearly define the relationship between to command and to be commanded and should decide who has the authorities to make examinations and give approvals so as to ensure that the party command the militia and reserve service forces in a unified and centralized way and to prevent problems from occurring.

To persist in the policy that the party manages the armed forces and to ensure a sustained and sound development of national defense reserve service forces, we should also accurately handle several relations as follows:

Accurately handle the relationship between the construction of national defense reserve service forces and economic construction. Fundamentally speaking, the construction of national defense reserve service forces is consistent with economic construction, and both are for the interests of the state and the people. The economic construction is the foundation for the construction of national defense reserve service forces while the latter is a guarantee for the former, as well as for state security. While comprehensively understanding and implementing the accurate guiding ideology of "being submitted to the overall situation of the economic construction and meeting the demand for national defense construction," we should organically integrate the "submission of the overall situation" with the "meeting of the demand for national defense construction." All levels of party committees and governments should bring the construction of the national defense reserve service forces into line with the overall plan for social development and ensure that both develop at the same pace.

Accurately handle the relationship between the construction of reserve service forces and their uses. All levels of party committees, governments, and military organs should foster a sense of national defense; en-

hance their understanding about misery; and strive to build a contingent of "crack, reliable, and capable" national defense reserve service forces. The broad masses of militiamen and reserve service forces should bring into full play their exemplary roles in participating in the economic construction, building the spiritual civilization, fulfilling urgent, dangerous, and difficult tasks, and safeguarding public order. We should persistently integrate the national defense reserve service forces' construction with their uses and further strengthen their construction in the course of bringing their functions into play.

Accurately handle the relationship between national defense mobilization work. In dealing with their work, all levels of national defense mobilization committees should handle the relationship among the people's armed mobilization, the national economic mobilization, communications preparations against war, the people's air defense work, the national defense education; and ensure coordinated development of the work in these spheres. The departments under the provincial military district should positively support local related departments to attend to the national defense education, the national economic mobilization, communications preparations against war, and the people's air defense work.

Accurately handle the relationship between military organs and military departments. The provincial military district, military subdistricts, and the people's armed forces departments are military leading organs, as well as military departments attached to the party committees and governments at the same levels. So, under the dual leadership system, they should fulfill the tasks of helping army units keep contacts with the local party committees and governments and of guiding and directing their subordinate army units and militia and reserve service forces to build the material and spiritual civilizations and to safeguard social stability. All military departments should carry out their work in their capacity of military leading organs and military departments of party committees and governments, maintain good relations with one another, strengthen coordination, and ensure sound development of reserve service forces.

PRC: Shenzhen Border Guards Conduct Military Exercise

OW0807102896 Guangzhou YANGCHENG WANBAO in Chinese 28 Jun 96 p 1

[FBIS Translated Text] On the afternoon of 27 June, the frontier guard unit of the armed police force stationed in Shenzhen City carried out a round of exciting military drills.

The exercise was designed to test the mobile unit's ability to handle emergency incidents. In the hypothetical incident, the masses were instigated using rumors and, not knowing the truth, tried to dash across the border from Shenzhen or Zhuhai. As 1997 and 1999 are drawing near, the border guards in Guangdong are shouldering a heavier and heavier burden for guaranteeing the smooth transition, prosperity, and stability of Hong Kong and Macao.

Chen Shaoji, member of the Guangdong provincial party committee standing committee and director of the provincial public security department, Chen Weiming, deputy director of the Border Control Bureau of the Ministry of Public Security, watched the drill and gave speeches to the troops. Chen Shaoji called for further enhancing the combat capacity of the troops in reacting to emergencies and turning the border guard units into a strong force for maintaining the public order in the border areas. The provincial border control department will set up a special organ to handle possible emergencies in border areas, and will adjust the distribution of the police force to control the land and sea border areas by intensifying patrol and intercepting illegal emigrants.

PRC: Hebei Province Executes Serious Offenders by Firing Squad

SK0807104196 Shijiazhuang HEBEI RIBAO
in Chinese 27 Jun 96 p 1

[FBIS Translated Excerpt] On 24 and 25 June, people's courts in various localities throughout the province held

open trials one after another to sentence according to law a number of criminal offenders who seriously endangered social order and public security. In addition, in accordance with the death execution orders issued by the Hebei Provincial Higher People's Court, a number of offenders guilty of the most heinous crimes were executed by firing squad. More than 300 persons attended the open trials. [passage omitted]

PRC: Shandong's Jinan Burns '6,000-Odd Illegal Firearms'

SK0607071096 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 5 Jul 96

[FBIS Translated Excerpt] On 5 July, the Jinan public security bureau arrested a number of criminals according to the law for illegally manufacturing and selling firearms, and burned 6,000-odd illegal firearms that were confiscated in the crackdown drive.

Since 1 May, the Jinan public security department stroke relentless blows to gun-related crimes, and step up management over firearms. Good results were achieved in the designated period. As far, 25 dens manufacturing and selling firearms were smashed, while 117 criminals were handled and punished. [passage omitted]

General

PRC: Jiang Zemin Calls For Further Reform of State Enterprises

*OW0307145996 Beijing XINHUA in English
1441 GMT 3 Jul 96*

[FBIS Transcribed Text] Beijing, July (3) — Chinese President and Communist Party General Secretary Jiang Zemin has called for still greater efforts in the reform of state-owned enterprises and in their development.

Jiang attended a meeting with business executives and leading officials of Sichuan, Hebei, Liaoning, Shandong, and Zhejiang provinces, and Shanghai municipality on May 4, following his inspection tour of a number of firms focused on improving the country's state-owned enterprises.

New progress has been made in reform in state-owned enterprises and their situation is good on the whole, Jiang told the group, while acknowledging that problems still exist and the reforms fall short of meeting the demand of a socialist market economy.

Jiang spoke highly of the role of the state-owned enterprises and the contributions they have made in China's reforms and economic development.

They constitute a pillar in the country's national economy and played a decisive role in strengthening the socialist system, building a socialist market economy, promoting economic and social progress and socialist ethics and ideological progress, Jiang said.

The state-owned enterprises contributed greatly to the country's reform and modernization drive and guaranteed the sustained, rapid and healthy development of the national economy.

They are a major part of the country's economic lifeline and have played a leading role in entire economic development and serve as the principal source of state revenues, Jiang said.

In recent years, many local governments and government departments have accelerated the pace of reforms in state-owned enterprises, and the enterprise system has been experimented with on an extensive scale in many places, with some good results.

In the reforms, measures have been developed for solving some difficult problems and certain unprofitable enterprises are allowed to declare bankruptcy or to merge with others, thereby reducing the social burden to be borne by the enterprises and helping to provide job opportunities for surplus workforce.

Meanwhile, there are some problems, Jiang pointed to, for example, the large number of state-owned enter-

prises that are run rigidly and with poor performances and financial difficulties. The losses incurred by state-owned enterprises are continuing to aggravate, he said.

These problems have a direct impact on the growth of socialist market economy, social stability, and people's livelihood, and they should arouse the concern of the leading bodies at all levels, Jiang said.

Fundamentally speaking, one solution to these problems lies in speeding up the pace of reforms at state-owned enterprises, and in scientific and technological progress and development of scale economy and in avoidance of redundant production.

He called on all departments to make readjustments in the state-owned assets and making full use of the modern enterprise system and science and technology so as to improve efficiency.

At present, the reform of the state-owned enterprises is a critical state, Jiang said. Reforms of both the economic system and economic growth mode are tied to industrial enterprises, and only when their problems are solved can the economic system and economic growth mode be reformed and the country's Ninth Five-Year Plan and long-term goals for the year 2010 be achieved.

Jiang urged party and government officials at all levels and state-owned enterprise directors to have full confidence in enterprise reforms.

"As long as we enhance leadership, adhere to the party's basic line and the series of policies on enterprise reform, and bring into play the enthusiasm of all sectors, then the path for the development with Chinese characteristics for state-owned enterprise reforms will be found and taken," he said.

President Jiang urged local government not to neglect the government's principles on increasing reforms in state-owned enterprises.

Jiang noted that practice has proven that the principles established by central authorities are absolutely correct, and that the modern corporate system based on public ownership is the basis of China's socialist market economy.

He said that reforms in state-owned enterprises are aimed to establish a modern corporate system characterized by clear property rights, definition of rights and responsibilities, separation of state and enterprises, and scientific management.

Jiang put forth the goal of establishing the modern corporate system in the majority of the large and medium-sized backbone enterprises by the turn of the century, making them independent in management

and held responsible for their own profits and losses occurred.

The Chinese leader called for state-owned enterprises to pay greater attention to the improvement of industrial structure and economic efficiency, along with efforts to be made in combining reforms and transforming enterprises.

Jiang pointed out that local governments should make full use of the state-owned economy in national economic development by strengthening a group of large state enterprises or enterprise conglomerates and setting free and invigorating ordinary small state-owned enterprises.

Jiang urged state-owned enterprises to sharpen their competitive edge in the marketplace by speeding up the use of science and technology. To improve them, it is essential to rely on the working class wholeheartedly, effectively improve the enterprise managerial ranks, to develop reforms in a coordinated manner, and to set up and improve a sound social insurance system.

By mainly adhering to public ownership and developing different types of economic factors, Jiang said. The state can create the good environment and conditions for the involvement of the economies of all types in market competition on an equal footing. Moreover, he urged state-owned enterprises to be bold in developing new methods and to gain fresh experience in enterprise reforms.

At the same time, it is fully useful to give scope to the workers' initiative and build up and strengthen the ranks of enterprise managerial personnel and beef up the enterprises' internal management mechanism, he noted.

Jiang Zemin urged state enterprises to probe ways to retool their enterprises and establish a modern enterprise system.

"Where does the experience of reform come from? It comes only from practice, and the crux of the matter hinges on practice," said the president during recent inspection tour of a number of enterprises, and meetings with enterprise and provincial leaders from Sichuan, Hebei, Liaoning, Shandong, Jiangsu and Zhejiang provinces and Shanghai.

He encouraged enterprises to break a new path through practice, and follow the plan of the central government to conduct experiments, and try to solve the hard, knotty problems in real earnest in the reform and development, so as to deepen and perfect the reform.

"We must assiduously sum up the experience of pilot enterprises as well as of enterprise reforms as a whole," the president said.

According to him, China has obtained tangible results in making way for its reform, in line with its real conditions and economic system, and with operational mechanisms having undergone profound changes. However, the country is still faced with difficult problems that have been left over from its old system.

Jiang called for the determined efforts to adopt effective measures and create essential conditions in all aspects to solve these problems in an active, safe and reliable way.

The president said party committees and governments at all levels should first of all attach importance to study. Emphasis should be placed on enterprise reform and, as the first step, they should raise their consciousness in their work, their understanding of government policies and their leadership ability.

Secondly, leading officials should personally take charge of the work concerning the reform of state-owned enterprises, as is the case with some examples where progress has been achieved in the reform, and enterprises should have a good managerial mechanism to implement the reform policies.

Thirdly, the enterprise reform involves every department of society. Each department should cite it an important job and coordinate with other departments so as to speed up the reforms.

Fourthly, leading officials at various levels should attach importance to their work style and avoid formalism when carrying out government policies on enterprise reform. This is also true at the time when their enterprise learns from the successful experiences of others enterprises.

Fifthly, officials should show kind attention to people's life. With the deepening of reform and other factors, some enterprises face operational problems, which affect the livelihood of some workers.

The reform represents the basic and long-term interests of the workers, and the reform in the past dozen years and more have remarkably improved people's living standards. However, officials should give much heed to troubles of some enterprises and their workers.

Jiang Zemin called on party committees and governments at all levels to strengthen leadership and take positive and effective measures to speed up the process of the state-owned enterprises' reform, which constitutes a leading economic issue concerning the growth of the national economy and also a major political issue, which will have bearing on the destiny of the country's socialist system.

PRC: Beidaihe Meeting Reportedly To Adjust Economic Policy

HK0207034996 Hong Kong PING KUO JIH PAO in Chinese 2 Jul 96 p a14

[Report from Beijing by special correspondent Pi Ping (3968 5493): Intensive Preparations Are Made for Beidaihe Meeting, Macroeconomic Regulation and Control To Be Properly Adjusted"]

[PTS Translated Text for FBIS] Preparations for the impending Beidaihe meeting, at which the CPC top echelon is to discuss the readjustment of "macroeconomic regulation and control" that has been going on for three years, have been stepped up under the charge of Zhu Rongji, a source from Beijing financial circles disclosed. The top echelon is not inclined to change the "macroeconomic regulation and control" policy for the time being, but will consider readjusting some links, according to the source. It is expected that loans will be relaxed moderately, primarily with respect to joint ventures with Chinese and foreign investment.

It has been three years since the "macroscopic regulation and control" policy was implemented in mid-1993. During that period, the state has tightened money supply, with quite a few projects under construction or in the planning stage being aborted; consequently, the economic growth rate has slowed.

According to the authoritative source, State Council Vice Premier Zhu Rongji, who is responsible for economic work, is making preparations for the Beidaihe economic work conference. His major think tank believes that through three years' efforts, the central authorities found that "macroeconomic regulation and control" has already scored the expected effects. Inflation has been kept under control, and the practice of blindly launching capital construction projects checked. **Hopefully, Loans for Joint-Venture Projects Will Be Relaxed**

Such being the case, to avoid economic growth being restricted for a long period and "malnutrition" in enterprise development, the central authorities will consider "appropriate fine tuning" of "macroeconomic regulation and control" based on actual conditions.

At present, "appropriate fine tuning" mainly includes the follow aspects:

1. With respect to projects in cooperation with foreign investment, enterprises on the Chinese side will be given priority to take out moderately relaxed loans. Because over the past three years quite a few projects in cooperation with foreign businessmen have been ordered to be aborted, growth has been at a standstill, while foreign businessmen often worried about their

partners lacking sufficient funds when cooperating with Chinese enterprises; hence their shrinking confidence in making investment in China. Such being the case, the central authorities believe that with the situation turning for the better, priority may be given to projects in cooperation with foreign businessmen in the fine tuning of loan policy.

2. With regard to enterprises with good economic results, whose products are marketable, with great potential for growth, greater support in circulation funds for them will be considered to promote effective investment. Related departments call such measures "relaxation with focus."

3. Regarding agriculture, infrastructure, and basic industry with state approval, because of the absence of investment funds over the past three years, they are on the brink of collapse. Such being the case, the central authorities are considering showing consideration for those undertakings, to guarantee them necessary funds. Related departments call this "structural relaxation."

PRC: 'Macro-Level Adjustment and Control' Reportedly To Continue

HK0307050796 Hong Kong SOUTH CHINA MORNING POST in English 3 Jul 96 p 10

[By Vivien Pik-Kwan Chan]

[PTS Transcribed Text for FBIS] Despite lobbying from mainland economists for a relaxed monetary policy, Chinese officials say the Government would continue its policy of "macro-level adjustment and control" for the next five years.

Senior staff from the State Council Development Research Centre said the instruction for the next five years was to carry out "moderate austerity measures" under the broad goal of implementing macro-level adjustment and control.

"For the past three years, the emphasis has been more on the 'austerity', while in the latter half of this year, the emphasis will be more on the 'moderate'," an official said. In other words, it was not an overall monetary easing but selective credit easing, the official explained.

The primary beneficiaries would be the agricultural sector in the central west region, and medium-sized and large state enterprises.

He said that the purpose of such selective credit easing was that the heavy burdens of state enterprises and the financial deficits of state banks were, at present, a bigger problem than inflation.

Sources said that did not mean the pressure of inflation had eased.

The rising costs of coal, electricity, oil and railroad transport have increased the burden of most state enterprises.

"According to internal figures, such additional cost has added 800 million yuan (HK\$742.79 million) to the annual operation cost of Capital Iron and Steel Works," another official said.

Economic officials have proposed that 400 billion yuan additional credit should be given in the latter half of the year to medium and large state enterprises to hasten reform, increase operation capital, facilitate exports and reduce stock.

Another interest rates cut, following one in May, is expected later this year. This would boost the state banks' financial situation as they have to shoulder the heavy rate for deposits while the prospect of lending to state enterprises remains risky.

Sources said Chinese leaders hoped that in the next five years, China's bank rates would become fully market-oriented and consumer products would be in sufficient supply to ensure balance of supply and demand.

"By that time, conditions may be ripe for scrapping the austerity programme," officials said.

Meanwhile, the Government would continue its strategy to raise the price of agricultural products and power resources and to speed up state enterprises reform.

PRC: Qinshan Nuclear Power Station Construction
OW2106152496 Hangzhou ZHEJIANG RIBAO
in Chinese 3 Jun 96 p 1

[By reporters Yang Yunsong (2799 0061 2646) and Zhang Fan (1728 1581)]

[FBIS Translated Text] Haiyan, 2 Jun (ZHEJIANG RIBAO) — It is a day with the significance of a milestone in the history of nuclear power development in China. At 1115 in the morning, Wu Bangguo, member of the CPC Central Committee Political Bureau and vice premier of the State Council, pressed the button to start the concrete feeding machine and the first hopper of concrete was poured in the construction of the main workshop for the No. 1 machine group of the Qinshan Nuclear Power Station second-phase project. This marks the formal commencement of the major construction work of the second-phase project of the Qinshan Nuclear Power Station.

Provincial leaders Li Zemin, Wan Xueyuan, Si Daxiao, Lu Zushan, and Zhang Qimei attended the ceremony for the commencement of the construction.

Wang Zhongyu, minister of the State Economic and Trade Commission; Jiang Xinxiong, president of the China National Nuclear Corporation; leading comrades of the State Planning Commission, the State Commission of Science, Technology, and Industry for National Defense, the Finance Ministry, the Power Industry Ministry, the State Environmental Protection Bureau, the Machine-Building Industry Ministry, the Public Health Ministry, the State Bureau for Nuclear Safety, the Development Bank, Shanghai Municipality, Jiangsu Province, and Anhui Province sat on the rostrum.

Li Peng, member of the CPC Central Committee Political Bureau Standing Committee and premier of the State Council, sent a message to congratulate the construction start. He first expressed warm congratulations to the commencement of the major construction work of the Qinshan Nuclear Power Station second-phase project. He pointed out that the commencement of the second-phase project marks the development of nuclear power stations with the initiative in our own hands has reached a higher level. The second-phase project has adopted the construction method of "taking ourselves as the dominant factor and cooperating with foreign countries," and it will accumulate experience in the construction of large-capacity nuclear power stations with the initiative in our own hands in design and construction. He hoped that the builders would adhere to the principles of putting quality and safety first, make concerted efforts, and make new contributions to the construction of the Qinshan nuclear power base.

The Qinshan Nuclear Power Station second-phase project is located on Yangliu Shan, Haiyan County, Zhejiang Province, and is close to the first-phase project. It is quite close to the Shanghai-Hangzhou Highway, and is 92 km from Hangzhou in the south, and 126 km from Shanghai in the north. It faces Hangzhou Bay and is at the East China Power Grid's load center, which makes it quite convenient to send electricity to the grid.

The decision on the construction project was made at a regular State Council meeting on 18 January 1986. It accommodates two sets of 600,000 kw pressurized water reactor generating groups and there is ample room for installing two more such groups. The State Planning Commission approved the construction project start on 15 December 1995, and listed it as a key state construction project in the Eighth Five-Year Plan. The period for the construction of the major parts is 72 months and the No. 1 generating group is expected to be put into operation and send electricity to the power grid in June 2002. The entire project will be completed in June 2003 and is a trans-century project. The second-phase project is the first 600,000 kw nuclear

power station designed and built by us following the completion of the Qinshan first-phase project and the Daya Bay Nuclear Power Station. The commencement of its construction marks an important step forward in our country's nuclear power undertakings.

The Qinshan Nuclear Power Station second-phase project is a large-scale project, takes a long time to complete, includes many auxiliary projects, and is a high-tech type nuclear power project. It will use pressurized water reactors, whose technology is the most mature, safe, and reliable in the world. The nuclear island has used the international standard circuit design, which can also be used for 1 million kw nuclear generating groups. Successful experience in the development of nuclear power at home and abroad has been used for reference in selecting reactors and in making decisions on capacity and technological lines. Through the design and construction of the two sets of 600,000 kw pressurized water reactors, the construction of nuclear power stations in China will gradually become more standardized, more equipment for such construction will be made in China, a greater variety of nuclear power stations will be developed, and a way to develop nuclear power that suits our national conditions will be found.

The Qinshan Nuclear Power Station second-phase project is jointly invested in and built by the central government, Zhejiang, Jiangsu, Anhui, and Shanghai. Its total investment has reached 14.2 billion yuan. Each side enjoys ownership rights and rights to use electricity according to the percentage of its investment. In the course of construction, a new mode of management has been adopted, and this includes the owners' responsibility system, the system of inviting (negotiating with) tenders, and the engineering supervision system. This is of great significance to exploring the direction for developing nuclear power and to perfecting our country's nuclear power construction system.

At present, the early stage preparation for the second-phase project has basically been completed. Over 7.3 million sq.m of earth and stone work of the plant area has been basically completed. The second and third phases of flood protection facilities for the plant area, including embankments, drainage system, and the pumping workshop, have also been basically completed. The work to level the storage area of the 3,000-ton sea wharf and the reinforced coastal embankment have also been completed.

At the construction commencement ceremony, Wu Bangguo said that, as a new energy source, nuclear power is known to more and more people in China. Of the nuclear power projects the state initially planned

to build in the Ninth Five-Year Plan period, the Qinshan Nuclear Power Station second-phase project is the first one started. He pointed out developing nuclear energy in the Ninth Five-Year Plan period is conducive to easing up the current energy shortage, but what is more important is to have our eyes on mastering advanced technology and to lay a foundation for building even bigger nuclear power stations in the next century. On the basis of the Qinshan Nuclear Power Station first-phase project, its second-phase project has put forward the idea of "taking ourselves as the dominant factor and cooperating with foreign countries" in construction. This has given expression to the principle of integrating self-reliance with the introduction of advanced technology. This is of great significance to our efforts to comprehensively master nuclear power technology. We must seriously learn from international advanced nuclear power technology and management experience, and, on the basis of making full use of existing conditions in our country, and through cooperation with foreign countries, gradually and comprehensively master the design, construction, operation, management, and technology of large nuclear power stations.

Wu Bangguo stressed that safety of nuclear power stations is the basis for developing nuclear power and in safety the fundamental interest of the people also lies. Without safety, it will be impossible to develop the nuclear power undertaking. In the course of the construction of the second-phase project, we must pay great attention to quality. Handing over a nuclear power station with good quality to the party and people is the arduous and glorious task of the second-phase project builders.

Zhejiang Governor Wan Xueyuan spoke on behalf of the three provinces and one municipality taking part in the construction project. He said that the commencement of the construction of the second-phase project is both a big event in our country's and Zhejiang's history of nuclear power construction. As always, the provincial party committee and government will give the greatest support to the construction of the Qinshan Nuclear Power Station second-phase project. We will try our best to help construction units solve problems and overcome difficulties in construction and livelihood. Besides, I hope that departments concerned of Jiaxing city and Haiyan County will attach great importance to the project, energetically give it support, cooperate with it on their own initiative, do a good job in providing services for it, and ensure its smooth progress.

Wan Xueyuan said that the Zhejiang CPC Committee and government have always attached great importance to the construction of power facilities. Our province has favorable conditions for the development of ther-

mal, nuclear, hydro-, and pump-storage power stations. I hope that the State Council and central departments concerned will continue to give great support to power construction in Zhejiang and sincerely welcome neighboring provinces and cities to take part in the development of Zhejiang's power resources.

The State Bureau for Nuclear Safety made a nuclear safety appraisal of the Qinshan Nuclear Power Station second-phase project. Today, Huang Qitao, director of the bureau, presented a construction permit to Yu Hongfu, general manager of the Qinshan Nuclear Power Joint Operation Company.

PRC: Leading Economist on Fight Against Poverty
OW2006060196 Beijing RENMIN RIBAO in Chinese
14 May 96 p 9

[Article by Li Yining (0632 0110 1337): "Thoughts on Impoverished Areas Shaking Off Poverty"]

[PTS Translated Text for FBIS] The 5th Plenary Session of the 14th CPC Central Committee adopted the principle of "persisting in the coordinated development of regional economies and gradually narrowing the regional gaps." In accordance with this principle, the state will take effective measures to support the development of under-developed central and western regions, and to assist the national minority areas and impoverished areas in shaking off poverty and achieving a prosperous economy. How to seize the present valuable historical moment, uphold the spirit of self-reliance and hard struggle, and bring into play the strong points and resource advantages of each region in helping the impoverished farmers shake off poverty quickly will be the focus of work of party committees and governments of the impoverished areas for some time to come. Surveys show that some of these impoverished areas have made positive exploration in this work and have achieved notable results in their endeavors.

Shaking Off Poverty by Borrowing Land

Guangxi's Bose Prefecture is a mountainous area, with the Youjiang River running across the prefecture. The valley of the Youjiang is flat and fertile. With moderate climate, farmers there can grow two crops of paddy each year. Since labor expenditure is high, it has been an established practice for local farmers to stop work and leave their land fallow in the winter season. In recent years, the Bose Prefecture Party Committee and government have encouraged local farmers to make fuller use of the good climate of the river valley by growing vegetables on the fallow land in winter. This practice not only increases the income of farmers in the river valley, but gives farmers living in the mountainous

areas on both sides of the valley an opportunity to shake off poverty.

Farmers living in mountains on the western side of the Youjiang River valley used to depend on the elements for their living. They sowed some corn each year and the harvest was all the income they had. The meager per-capita income of 100-200 yuan per annum was simply not enough to make ends meet. The local party committee and government encouraged them to leave the mountains and grow vegetables on "borrowed land" in the Youjiang River valley each winter. A temporary new arrangement of production factors for the winter season thus emerged, with farmers in the river valley contributing their land and farmers from the mountains contributing their labor and capital (mainly loans to aid the impoverished areas). The income is divided in proportion to input. Vegetables produced in this area are now sold to Hunan, Hubei, Guangdong, Beijing and other areas. Farmers can make about 1,500 yuan per capita growing vegetables in the valley in the winter season alone. Farmers from the mountains all go home before spring sowing. The harvested tomato and pea plants are then turned over and used as green manure, which is good for the growth of paddy. This is another reason why farmers in the river valley welcome their counterparts from the mountains to use their land. The experience of Bose Prefecture in shaking off poverty by borrowing land has given us three inspirations.

First, in order to succeed in shaking off poverty by borrowing land, it is necessary to choose a suitable method for the distribution of income. The method must benefit both the lender and the borrower. On no account must we resort to methods like "uncompensated support." From the experience of Bose Prefecture, we can see that while farmers from the mountains have benefited from growing vegetables in the Youjiang River valley, farmers in the valley also have gained something, which is why this method of shaking off poverty has proved a continued success. It is in accord with the principle of the market economy, that is, the suppliers of production factors getting paid on the basis of the quantity and quality of the production factors they contributed.

Second, the products produced must be marketable in order that producers can partake in and share proceeds from their sales. This is the precondition for the continuation of the practice of shaking off poverty by borrowing land. Farmers living in the mountains on both sides of the river valley can only achieve real benefit if they can sell the vegetables they grow in the valley at a good price. If their vegetables are not marketable, all hopes of shaking off poverty will fall through. Thus, we must not overlook the question of

marketing and sales when implementing plans for helping impoverished farmers shake off poverty. We must not merely concern ourselves with the organization of production, but must consider production and marketing as a single issue.

Third, guidance of the local party committee and government is needed in the re-arrangement of production factors. In the beginning, not all farmers in the mountains or in the valley were enthusiastic about growing vegetables in the Youjiang River valley in winter. Can vegetables really be grown in winter? Will it be a profitable business? People adopted a wait-and-see attitude at first. An experimental stage was needed. The practice was first tried out among a handful of farmers, and when it was proven that it could benefit farmers from the mountains as well as farmers in the valley, the sown acreage of vegetables was steadily increased and the number of farmers leaving the mountains in winter to grow vegetables in the valley grew year by year. In this process, the guidance provided by the local party committee and government was indispensable. However, it must be pointed out that the party committee and government were only there to provide guidance. They did not take everything into their own hands. The re-arrangement of production factors has to be achieved by farmers in the mountains and farmers in the valley of their own free will. The party committee and government should merely act as a go between and should not take everything into their own hands.

Shaking Off Poverty Through Emigration

Although the method of shaking off poverty by borrowing land has proved effective, it is but a temporary means of helping farmers in the mountains to increase income and shake off poverty. Another method practiced in Bose Prefecture is to encourage farmers to leave their homes in the mountains, move downhill, and shake off poverty by reclaiming wasteland. There are some barren slopes and uncultivated land in Bose Prefecture which are suitable for growing fruit trees. Farmers in the mountains are encouraged by the local party committee and government to move their families to these barren slopes and uncultivated land, where they rebuild their homes, plant mango trees on large tracts of land, and rely on this to shake off poverty. For example, when some farmers from Tianyang County, Bose Prefecture, first left their homes in the mountains, they had to build thatched shacks for temporary shelter. Since mango trees grew fast and income from the sale of mangoes was handsome, they were able to build their own houses several years later. They even bought motorcycles, walking tractors, televisions, and electric

fans. New villages emerged. Each of these villages has its own primary school. For these farmers, moving to another place has brought about a change of living environment: When they were living in the mountains they had no water or power supply, accessibility was poor, and life was tough. Now they live in new houses and living conditions have greatly improved. **The following are four prerequisites for achieving success in shaking off poverty by moving to another place:**

First, there must be barren slopes or uncultivated land where families of farmers in the mountains can move to. There are many barren slopes and much uncultivated land in the Youjiang River valley which are suitable for the resettlement of farmers from other parts of Bose Prefecture. **Second, there must be reliable means for farmers to shake off poverty and achieve prosperity after moving downhill.** Without any means of shaking off poverty and achieving prosperity, farmers who find it hard to make a living after settling down in the river valley may decide to move back to the mountains. The experience of Bose Prefecture shows that opening up barren slopes and land for the cultivation of mango trees is an effective means of shaking off poverty and achieving prosperity. **Third, the bellwether plays an exceedingly important role throughout the process of the collective resettlement of farmers.** Faced with the "mass removal of whole villages," emigrating farmers not only have to overcome the fetters of conventional ideas but are forced to abandon their old homes. At times like this, actual difficulties and ideological problems of all sorts are likely to crop up. In order to overcome these difficulties and problems, it is necessary to fully bring the role of the bellwether into play. The bellwether must not only be capable and have both insight and courage, but more importantly, must also have appeal and influence among the migrating farmers. The experience of Bose Prefecture shows that the success of shaking off poverty through migration is inseparable from the role played by the bellwether. **Fourth, the party committee and government must make overall arrangements for shaking off poverty through migration.** For example, the party committee and government have to make careful plans as to where farmers should migrate, where to reclaim wasteland for cultivation, and where to build new villages. For another example, in order to provide new settlers with a desirable living environment, and to find reliable sales venues for products produced, thereby providing these pioneering farmers with an income, the party committee and government must increase investment in the construction of infrastructure, such as roads, water supply and electricity, and must provide these farmers with market information, production and technical service. Government funds earmarked for supporting the poor must be

spent on assisting these farmers in developing production. In addition, the party committee and government must provide the newly-built villages with the necessary help in developing primary education and public health facilities so as to improve farmers' quality of life.

Bose Prefecture has been able to resettle its farmers within the prefecture, but not all impoverished areas enjoy the same conditions as Bose Prefecture. Thus, impoverished areas must find their own effective means of shaking off poverty in the light of their actual conditions. These include measures for resettlement to other areas in order to shake off poverty.

Farmers in the mountains have to abandon their mountain dwellings when they resettle elsewhere. However, this is not necessarily a bad thing. By closing hillsides for afforestation and for conservation of soil and water, and by prohibiting the wanton felling of trees and the burning of grass, the ecological conditions of the mountains will improve. These measures will be of help to society and should be regarded as a good cause which will benefit future generations.

Shaking Off Poverty Locally

Shaking off poverty locally means that farmers try to shake off poverty and achieve prosperity by staying and working in one's home town. During my surveys in Hunan and Guangxi, I have discovered that this is entirely possible. **Shaking off poverty locally primarily includes efforts to change the appearance of one's home town, and increasing farmers' income by developing township enterprises.** Farmers in Guangdong, Fujian, Zhejiang, Jiangsu and other provinces have said goodbye to poverty by developing township enterprises. However, impoverished counties in the interior are faced with many problems that are difficult to overcome in their efforts to develop township enterprises. In developing township enterprises in those counties where conditions are poor, other measures must be adopted in order to shake off poverty locally.

First, the development of aquaculture and livestock breeding. In recent years, chicken and pig breeding has been vigorously developed in many counties under Hengyang County in Hunan Province. Many farmers have become specialized chicken or pig breeders and have gradually become well-off. Farmers in Liuyang have vigorously developed the breeding of black goats in the light of their local natural conditions; farmers in Yueyang have been breeding frogs, soft-shelled turtles and eel; while farmers in Wugang have been making use of their rich water weeds to raise geese. They have all achieved good results in their endeavors. It is thus evident that aquaculture and livestock breeding are excellent means for farmers to shake off poverty

locally. **Second, the building of orchards and timber forests.** An obvious example of this is how farmers in the mountainous areas in southeastern Guangxi have in recent years improved their livelihood by building orchards of longan, lychee, and pomelo trees. **In addition, developing the production of handicrafts work by tapping local tourist resources is another way of achieving the goal of shaking off poverty locally.** In the neighborhood of Zhangjiajie in Hunan, farmers of Miao and Tuchia nationality are selling their knitting and embroidery near tourist attractions. This has considerably increased their local revenue. Farmers of Zhuang nationality in Jingxi County, Guangxi, are also famous for their handicrafts work. The balls made of strips of silk which they made are not only selling well in China but have been sold far and wide overseas, thus bringing in considerable foreign exchange earnings. I have noticed while in Jingxi County that almost every girl on Jiuzhou Street was making these silk balls. This is one way of making money locally.

We can thus see that the potential for impoverished areas to shake off poverty locally is still great. Of course, in places like the villages in the mountains of Bose Prefecture — that is, places where it is impossible for farmers to improve their working environment and living conditions unless they leave the mountains — people can try to shake off poverty by borrowing land or through emigration. On the whole, as long as farmers recognize their local resource advantage, and as long as their enthusiasm in developing diverse undertakings is fully brought into play, there is great hope for shaking off poverty.

Northeast Region

PRC: Heilongjiang People's Court's Work Report
SK1106083296 Harbin HEILONGJIANG RIBAO
in Chinese 10 Mar 96 p 2

["Excerpts" of work report of the Heilongjiang Provincial Higher People's Court delivered by Court President Tang Xianqiang at the Fourth Session of the Eighth Provincial People's Congress on 28 February]

[FBIS Translated Text] Fellow deputies:

I now submit to the congress the report concerning the work situation of the courts in the province since the third session of the eighth people's congress and the opinion on the work needs to be done in the future for your examination and approval.

In 1995, under the leadership, supervision, and direction of the various levels of the party committee and people's congress, and the supreme court, all levels of

courts in the province earnestly implemented and carried out the overall economic development guidelines of the provincial party committee and the guidelines of the "Resolution of the Third Session of the Eighth Provincial People's Congress of Heilongjiang Concerning the Work Report of the Provincial Higher People's Court." They strengthened the trial and punishment tasks in all aspects and completed the overall work of the party after grasping the opportune time, deepening the reform, promoting development, and maintaining stability. The law enforcing standard was continuously improved. The functions of judicial organs were brought into full play. Extensive efforts were devoted to providing an effective legal service and judicial protection for economic development. Our work mainly focused on the following five areas:

1. Insist on deepening the ideological guidelines of the trial and punishment work and enhance the sense of responsibility and the conscious in servicing economic development. Based on a series of important policies of the central authority in accelerating the reform, opening up, and economic development pace, in establishing the socialist market economy system, and in strengthening macro-control and the requirements of the provincial party committee on the overall economic development guidelines and for improving the economic development environment and building a strong agricultural province, the province's courts deeply investigated and studied the new situation, new problems, and new demands caused by economic development. Insistence on mind emancipation was maintained, and the law enforcing concept was voluntarily renewed. The shift from protecting the single public-ownership economy to protecting the multiple-ownership economy with the public ownership as the main body was realized. The change from protecting the distribution style solely based on labor to protecting multiple distribution styles, including distributing based on labor, stock sharing, contract, leasing, and other operation methods, was also realized. The change from evaluating the law enforcing effect based solely on the legal standard to evaluating the law enforcing effect based on an evaluation method that integrated the legal standard, economic standard, and social standard was actualized. The crackdown movement was changed from an emphasis on dealing severe blows to crimes to an emphasis on crackdown, protection, and service at the same time. The case handling focus also changed from handling cases individually to handling many cases quickly and properly and combining the trial process with energetic participation in comprehensive management of social and economic order. The provincial court studied and published some documents, such as "Improving Law Enforcing Standard Vigorously and Accelerating and Protecting Economic Development" and

"Opinions on Making the Trial and Punishment Work of the Provincial Courts Serve the Province's Economic Development." These documents helped clearly define and indicate that the ideological guideline, the work principle, and the key task of the trial and punishment work were all for serving the province's economic development. The documents also standardized the legal service and judicial protection work provided by the province's courts to economic development. A variety of trial and judgment tasks were also effectively developed and promoted. There were a total of 319,524 various cases received altogether by the courts in the province, and 321,422 cases were concluded (including incomplete cases received from previous years, the same fact applies in the rest of the paper), up by 11.3 percent and 11.4 percent over the previous year, respectively. In deepening the special service activities such as clearance of debts, loans, and taxes according to the law, we collected a total of 3.37 billion yuan of outstanding balances, including debts owed by other parties to the enterprises, overdue loans owed to banking departments, and outstanding tax balances owed to the tax organs, an increase of 27.2 percent over the previous year. We made a total of 3,123 proposals consisting of 4,815 solutions in light of the problems discovered in the process of handling cases and 2,916 solutions were adopted. These recommendations positively contributed to the prevention of crimes, prevention and reduction of disputes, enhancement of management.

2. Persist in strengthening the overall trial and punishment work and increasing the economic development servicing force. Proceeding from the need for creating a stable social environment for economic development, the province's courts persisted in dealing stern and rapid blows to criminals who were seriously endangering social order by committing crimes such as murder, robbery, rape, acting like a hoodlum, kidnapping and selling women and children, stealing, vandalizing transportation, communication, and electrical equipment, and so on. There were 20,878 criminals convicted, an increase of 5.8 percent over the previous year. In protecting economic order and punishing corruption, the courts insisted on giving harsh punishment according to the law to serious economic criminals who were involved in corruption, accepting bribes, embezzlement, tax evasion, refusing to make tax payments, fraud, manufacturing and selling fake or substandard merchandise, printing counterfeit money, and so on. There were 3,834 criminals convicted and punished. A total of 43.59 million yuan of direct economic loss was recovered. Taking the promotion of reform and opening up as the initiation point, the courts carried out all judicial work focusing on deepening the state-owned enterprise reform and advocating the establishment of the modern enterprise

system, on building a strong agricultural province and promoting the economic development in rural areas, on exploring and establishing the second battle front for economic development and promoting the growth of the new economic growing point, and on strengthening macro-control and promoting the establishment of the market mechanism. The related assorted economic dispute cases completed in the first trial totaled 42,047 cases, and the total disputed amount of 5.79 billion yuan involved in the legal proceedings was resolved, up by 10.9 percent and 56.7 percent, respectively, over the previous year. Taking the initiative in promoting socialist material civilization and spiritual civilization, the courts finished in the first trial 171,417 civil cases concerning marriage, family, compensation, debts, housing and real estate, labor disputes, mountain and forest, water resources, copyright, libel, and so on, an increase of 12.1 percent over the previous year. Taking the initiative in enhancing the socialist democratic political system, the courts fully implemented the administrative procedural law. A total of 2,026 administrative cases involving public security, urban development, public health, industry, commerce, and so on were concluded in the first trial, an increase of 27.3 percent over the previous year. Taking the initiative in protecting the sanctity of the law and the authority of law enforcement, the courts dealt with 56,491 cases on execution of judgments according to the law with the amount involved amounting to 1.46 billion yuan, up by 21.4 percent and 72.7 percent over the previous year, respectively.

3. Persist in enforcing the law strictly and improve the standard of service for economic development. In order to protect the uniformity of the legal system in the country, the courts in the province persisted in opposing and boycotting local protectionism and departmental protectionism, ensuring strict law enforcement and fair judgment, and continuously improving the standard of service for economic development. The courts took the initiative in resolving problems relating to loose law enforcement and dishonest discipline administration. The supervision of trial and judgment was further enhanced. The law enforcement operating mechanism was improved to separate registration from case handlings, trial from supervision, and sentencing from enforcement of sentences. Systems such as expediting the handling of cases, leaders' personal supervision over handling of cases, and reporting on the supervision over trials, etc., were established. Hence, the trial discipline was strictly enforced and the errors made during the trial were promptly corrected. The major inspection on law and discipline enforcement was further intensified. Measures were studied, modified, and implemented in light of the existing problems so as to promote strict law enforcement, party style, and honesty. The direc-

tives provided to the subordinates was further strengthened. Based on the deep investigation and conclusion of its experience, the provincial court provided guidance in dealing with the urgent problems encountered during a crackdown on criminal, economic crimes and during the trial and handling of cases regarding enterprises in bankruptcy, receipts, and housing and real estate. By enhancing the supervision, inspection, and guidance, the police cadres became more career-minded and gained a stronger sense of responsibility. It also helped prevent and overcome the problem of slackness in law enforcement and improve the efficiency and quality of cases being handled. In 1995, the courts in the province finished 32,874 cases more than that of the previous year. The number of cases unsettled was 20.5 percent lower than that of the previous year. The change of original judgment in the second trial dropped by 2.5 percentage points.

4. Insist on gripping contingent construction and ensure the accomplishment of the various tasks in serving economic development. The province's courts proceeded from building a contingent of judges that met the requirements of economic development and establishing a good image for the people's courts featuring justice, honesty, civilization, and high efficiency. They took the complete implementation of the "Judge Law" as the juncture to extensively strengthen education and training of the police cadres. By the end of 1995, the province's courts surpassed the quota set by the Supreme Court for the planned education and training tasks. The police cadres, judging staff, and presidents and vice presidents who received education at or above university level totaled 76.4 percent, 90.5 percent, and 90 percent, respectively. Honest administration was vigorously strengthened. In order to ascertain the implementation of the three bans reissued by the central authority and the provincial party committee, the provincial court established "the Behavioral Regulations for the Personnel of the Courts in the Province to Enforce the Three Bans" and strictly investigated and handled law and discipline violation cases. When we developed regular education and rectification activities, we also adopted many measures, including insisting on using the open trial system, making the trial work discipline public, hiring law enforcement supervisors, issuing supervisory cards to involved parties, calling for the scheduled symposium for involved parties, gathering suggestions from related parties, and so on. By doing so, the supervising channels were expanded and the problems in favoritism and human relations cases and the problems with people making personal gains in handling cases were prevented. In order to promote the spirits and image of the people's judges, the provincial court worked closely with the press units to mobilize all sectors of the society and

the people to select, publicize and commemorate 10 outstanding judges. A large number of advanced groups and individuals with strong ideology, professional competence, and good styles appeared due to the strengthening of the contingent construction.

5. Insist on strengthening the management and reform of the court system and enhance the overall service function of the provincial courts in economic development. The province's courts established and improved the law enforcement mechanism which focused on standardizing the management of the trial work. Well-defined work standard and time limit were given to each intermediate link of case operation. Thus, a specific operation standard was established. The internal supervision and control mechanism with the focus on the system of investigating wrongly handled cases was established and improved. Hence, a close operating network was formed. The stimulating and encouraging mechanism that stressed competition to create good results, reward hard work, and punish laziness was developed and improved. The province's courts widely developed many activities which included the drives "to learn from Donglai, lay a foundation, build a good image, nurture advanced organs and individuals"; to compete for creating an advanced collective first; and to compete for becoming an excellent leading cadre, an excellent judge, an excellent police cadre, an excellent secretary first. The competition mechanism was established and improved to promote the management system that that enabled personnel in both high- and low-level posts as required and could dismiss incompetent cadres. The province's courts generally implemented the responsibility system for police cadres to fulfill the targets defined in their positions; the responsibility system for leading cadres to accomplish defined target during the working term; the probation system for people to take on leading positions; the "double recommendation and double examination" system which required a combination of recommendations made by organizations and people and examination and assessment; and other similar systems. The support system that emphasized the development of material equipment was established and improved. The enthusiasm of all levels of courts and police cadres was mobilized through management and reform enhancement. The spirit of competition to move ahead, become better, and become the leader surfaced in the province's courts. The courts thus won the trust of the people and the party. There were 201 courts honored as civilized units by the local or higher level party committees and government. The province's courts were evaluated as advanced in developing civilized units. Also, these courts were honored with the title of pacesetters in the units advanced in developing civilized units.

On the whole, the province's courts made new progress in all tasks over the past year. However, according to the needs of the situation and the work development, there were still some important problems existing in the trial and punishment work and in the self-development task. The main problems were included in the following: there were some police cadres, especially a few leading comrades in the courts, who did not have a strong sense for servicing economic development voluntarily or actively; difficulties in enforcement was relatively notable as the law enforcement was not strict enough and the quality and efficiency of a case handling were not high enough to some degrees; it was quite often to find police cadres involved in cases concerning favoritism; and the contradiction due to shortage of manpower, shortage of funding for case handlings, and increase of large-scale cases was becoming more serious. All these affected the deepening of our work.

Fellow deputies, the "Proposal of the CPC Central Committee Concerning Formulation of the Ninth Five-Year Plan for the National Economic and Social Development and the Long-Term Targets for the Year 2010" passed by the fifth plenary session of the 14th party Central Committee is the grand program that will lead the country to become rich and strong, revitalize the nation, and bring good long-term social order and stability to our country. Recently, the fifth (enlarged) plenary session of the seventh provincial party committee defined the outlines for the Ninth Five-Year Plan for economic and social development of the province and the long-term targets for the year 2010 in line with the province's situation. It is expected that the province's economic and social development will enter a new historical development stage. According to the guidelines of the 17th national courts work conference and of the fifth (enlarged) plenary session of the seventh provincial party committee, the province's courts must adopt the guidelines of the fifth plenary session of the 14th party Central Committee as the cardinal policy for the current period and a period of time in the future. We must insist on following the basic theories, the basic line, and the basic principles of the party. The law must be resolutely enforced strictly. All-out efforts must be devoted to maintaining social stability; to protecting and promoting economic development; to intensifying self-development, management, and construction of the courts; and to promoting the overall standards of various tasks to a higher level and a higher grade. As a result, an effective legal service and judicial support will be provided for the work to realize the Ninth Five-Year Plan and the long-term targets for the year 2010. Following these guidelines and the principles of propelling work in all ways and focusing on making breakthrough in key areas, we must concentrate on the work in the following three areas:

1. Further strengthening the trial and judgment work, protect and promote the realization of the Ninth Five-Year Plan and the long-term targets for the year 2010. The province's courts must adopt the guidelines of the fifth plenary session of the 14th party Central Committee and the fifth (enlarged) plenary session of the seventh provincial party committee to unify the ideology of the police cadres; firmly establish the concept of using the trial and judgment work to service the general work of the party; and properly grasp and handle the relations among the trial and judgment work and reform, development, and stability. All types of cases should be handled fairly and properly according to the law. It is imperative to insist on the principle of placing equal emphasis on quality, efficiency, and results in handling cases. The law enforcement style must continue to be improved and the level of law enforcement skill must be raised vigorously. The goal of achieving best results in handling cases must be incorporated into the trial and punishment work from the beginning to the end. The functions of the trial and judgment organizations in protecting and promoting a smooth realization of the Ninth Five-Year Plan and the long-term targets for the year 2010 should be brought into full play. Aimed at obtaining actual effects in strengthening the economic development service, the function of dictatorship must be enhanced. Severe blows should be dealt to criminals who involve in heinous violent crimes, organized crimes, kidnapping and selling of women and children, organizing, seducing, providing shelter to, or forcing women to engage in prostitution, producing and selling of drugs, manufacturing and selling of pornography, robbery and stealing, and looting production materials from state-owned enterprises. Harsh punishment must be given to criminals who involved in corruption, taking bribes, embezzlement, and damaging the province's economic order by obstructing production, circulation, finance, tax, and banking activities. Hence, social stability will be maintained. The service function should be heightened. Economic relations should be regulated positively according to the law. We must closely adhere to the overall economic development guideline derived by the provincial party committee and energetically speed up the process of building a strong agricultural province. State-owned enterprises should unswervingly be improved. The new economic growth point should be nurtured and the extent of opening up to the outside world should be increased. The trial and punishment work should continue to be developed with an emphasis on the principle of revitalizing the province with science, technology, and education. All sorts of related cases must be properly handled. The change of the economic system and economic growth mode must be advocated vigorously. The protection function should be enhanced. The internal disputes

among people must be properly handled, and contradictions must be actively resolved. The legal rights and interests of the citizens and legal persons should be protected according to the law. The construction of social ethics, professional ethics, and family ethics should be promoted. A sustaining, speedy, and healthy development of the provincial economy will then be protected and promoted through the trial and judgment activities.

2. Further reinforce the policy to ensure the measure for strict law enforcement so as to provide a good legal system environment for actualization of the Ninth Five-Year Plan and the long-term targets for the year 2010. The province's courts should take the initiative in maintaining a uniform legal system for the country and providing a legal support for economic development. It is important to persist in taking strict law enforcement and fair judgment as our work's eternal theme. It is imperative to continue to implement the system of investigating wrongly handled cases and the system of inspecting the quality of cases, to deepen the work in inspecting the law and discipline enforcement, and so on. At the same time, it is necessary to vigorously strengthen the standardization effort in management of the trial and punishment work and to continuously improve the supervision and control mechanism for the trial and punishment work. The reform of the trial and punishment style must be properly deepened. The reform of the trials of civil, economic, and administrative cases must be promoted in all aspects. The requirement of having involved parties to provide evidence should be reinforced. The courts' functions should be strengthened. The open trial system should be enforced strictly. The process, including the provision of evidence, questioning, cross examination, and debate, should all be done openly in court. Through the examination in the open court and the investigation of the facts, responsibility or propriety should be clearly identified. After the amended Criminal Procedural Law was adopted, it is still required to get the trial and punishment style reform done properly. In order to improve the quality and efficiency of case handling, it is important to give proper guidance to the lower level in doing work. The boundary that distinguishes the guilty from the innocent parties must continue to be explored and stringently drawn in the economic regime. With the continuous summarization of the experience being gained, the economic crimes should be punished harshly according to the law; and the legal rights and interests of the reformers and the legal production and operation activities should also be effectively protected. The pattern and characteristics of crimes involve intellectual property rights, futures, financial stock, the invasion of the independent rights of the enterprises, bankruptcy of enterprise, and other modern and difficult cases must be seriously investigated and studied. Conclusions should

be made based on experience in accurate and appropriate laws and policy application to properly regulate the new legal relations emerging during the province's economic development. Supervision over trial and punishment work should be done properly. Supervision within our own courts and the supervision of the higher courts given to the lower courts must be vigorously intensified. The problems regarding not obeying the law, not enforcing the law strictly, and not affixing legal responsibility or not investigating people who committed crimes must be resolved.

3. Strengthen self-development and ensure the service work to the realization of the Ninth Five-Year Plan and the long-term target for the year 2010. All of the courts in the province must continue to insist on getting both trial and development work done. We should make sure that the trial and punishment functions be effectively played out by strengthening the self-development. Ideological construction should be heightened. Leaders of the courts at all levels must follow General Secretary Jiang Zemin's requirements for paying attention to politics and learn political theories earnestly. They must further affirm their political stands, resolutely obey the political discipline, and enhance the discriminative power and sensibility in politics. They must maintain the same level as the party Central Committee in terms of ideology, politics, and action. A correct political orientation must be kept at all times. The ideological and political education for the police cadres must be enhanced to help them develop a proper world concept, life concept, and value concept. The belief in building socialism with Chinese characteristics should be firmed up. The Great Northern Wilderness spirit, Daqing spirit, and iron man spirit should be energetically promoted. The spirit of serving the people wholeheartedly, struggling despite hardships, enforcing the law fairly, respecting the profession, and giving should be further developed. The organization construction should be further enhanced. Leading cadres must persist in maintaining self-respect, self-awareness, self-alertness, independence, and strict self-discipline. The related regulations of the central authority and the provincial party committee must be enforced strictly. Extensive efforts should be devoted to turning ourselves into good leaders who have a strong political sense, good business sense, and excellent styles. The leading bodies should be built into a strong leading core that possesses solidarity, cohesive power, and combative power. Honest administration should be further strengthened. Under the unified leadership of the various levels of party committees, we must earnestly work on the rectification during the designated period. In the mean time, the regulations and the three bans of the central authority and the provincial party committee concerning the anticorruption drive

must continue to be enforced strictly. The occurrence of the 13 types of prohibited behavior listed in the regulations of the Judge Law must resolutely be prevented and corrected. The law and discipline violation cases must be strictly investigated and handled whenever discovered. They must not be covered up or pardoned. Improvement of professional competence should be intensified and the education and training work must be worked on properly. Thus, the police cadres will continue to renew their knowledge and improve their job skills. The construction of the people's courts should be strengthened. We must do a good job in providing categorized guidance, making adjustment, and securing and developing the work. The material and equipment construction should be enhanced. The progress made in the development of the trial courts and the people's courts should be accelerated. The situation in which the province has poorly-equipped courts must be gradually changed. The conditions of law enforcement must continue to be improved.

PRC: Liaoning Higher People's Court's Work Report

*SK2006034896 Shenyang LIAONING RIBAO
in Chinese 25 Feb 96 p 3*

["Excerpts" of Liaoning Provincial Higher People's Court's work report presented by Zhang Huanwen, president of the provincial higher people's court, at the fourth session of the eighth provincial people's congress on 8 February]

[FBIS Translated Text] Fellow deputies:

Under the leadership and supervision of the provincial party committee, the provincial people's congress, and the Supreme Court, all levels of courts in the province followed the guidelines of the fourth and fifth plenary sessions of the 14th party Central Committee and developed the trial and judgment tasks in an all-round way, adhering closely to the principle of emphasizing on reform, development, and stabilizing the overall situation in 1995. The trial and judgment tasks assigned to us by the party and the government were relatively well accomplished. Some 345,264 cases of different natures were received in the year, an increase of 17 percent over the previous year. The various types of cases tried and concluded according to the law totaled 314,160 cases, up 16.6 percent over the year before.

1. Crack down on serious crimes and maintain social stability with an all-out effort.

In order to maintain social stability, all levels of people's courts in the province developed the crackdown deeply. Sentences handed down to 28,526 criminals took legal

effect in the year. Among those sentenced, 1,386 criminals were given death sentences, suspended death sentences, and life imprisonment sentences. During the crackdown struggle, all levels of courts stressed on the development work in the following areas:

(1) Insist on the principle of dealing stern and prompt blows to crimes and focus on stamping out the key cases. In accordance with criminal law, criminal procedural law, and the related decisions of the standing committee for the National People's Congress [NPC], all levels of courts paid attention to severely and rapidly punish criminals who committed crimes that were identified as the major crackdown targets by the party Central Committee and the NPC, who committed various crimes that were seriously damaging the social order, and who committed serious criminal crimes that were relatively notable in our province such as murder, robbery, major theft, rape, kidnapping, blackmailing, as well as hooliganism. The key leaders of the various levels of courts personally involved in the trial process of cases that posed serious impacts on the province or even the country and cases that were difficult and complex. The trial and judgment forces were meticulously organized and the courts got involved in such cases at an earlier stage to get a better understanding of the cases so as to ensure the crimes were punished promptly. Among the criminals who were sentenced and whose sentences took legal effect in 1995, 1,918 of them were convicted for crimes related to seriously damaging social order. As the judging cadres worked diligently and continuously despite hardships and their work were profound and detailed, most of the major and serious criminal cases were concluded within half a month or twenty days after the indictment was received. This way, criminals were punished harshly and relatively positive social impacts were gained.

(2) Insist on adopting effective special struggles to prevent crimes from spreading. During the criminal crime crackdown process, all levels of courts followed the integrated plan of the party Central Committee and the provincial party committee and worked in close conjunction with related departments to develop many special struggles at various scales on a timely basis. These struggles included the struggles against robbery and theft, fighting drugs and pornography, stamping out car and road robberies, eliminating organized crime gangs, and so on. As a result, 3,418 criminals involved in robbery charges, 13,660 criminal involved in theft charges, 181 criminals involved in drug charges, and 44 criminals involved in kidnapping women and children were tried and punished. It shook up the criminals and protected the normal social order.

(3) Persist on following the basic route of comprehensive management and emphasize taking both crackdown and precautionary measures. For the past year, all levels of courts in the province developed trial and judgment work in all aspects and energetically carried out the various comprehensive management measures simultaneously. Through trials that took place right on the spot and with various rounds of trials in different places, courts at the grass-roots level and the people's tribunals played out an important role in maintaining social order in the administered districts and eliminating the unstable elements. By means of public trials, trying and sentencing criminals right on the spot, establishing juvenile delinquents collegiate bench and judicial court, and many other means, all levels of courts aptly expanded the trial and judgment work and this resulted in a good social response.

2. Punish serious economic crimes severely and protect economic development in the market.

For the past year, all levels of courts energetically developed the trial and judgment work regarding economic crimes. Economic crimes totaling 2,716 cases were received in the year, an increase of 5 percent over the previous year. The number of economic crime cases tried totaled 2,571 cases, setting the case completion rate at 94.7 percent. An economic loss of over 56 million yuan was recovered for the country.

First, we worked on the trial and judgment of major and serious cases. The importance of major and serious economic crimes was on the damaging effects caused by the large sums of money involved and the negative impacts the cases had due to the status of the people involved. Last year, the economic crime cases concluded by the courts in the province at first instance included 815 people involved in cases of over 10,000 yuan each, 131 people involved in cases of over 100,000 yuan each, and 19 people involved in cases of over a million yuan each, up by 6.1 percent, 18 percent, and 275 percent respectively over the previous year. They caused serious economic loss to the country and collectives. In trying the 1,918 economic criminals whose sentences took legal effect, 38.6 percent were government employees. They included 21 cadres at or above the county or section level and two cadres at or above deputy bureau director level. The number of cases involving corruption, bribe-taking, and embezzlement composed 67.8 percent of all economic crimes. Crimes involving fraud, smuggling, profiteering and speculation, tax evasion and refusing to pay taxes, illegal selling, issuance of fake value-added tax receipts, and printing of counterfeit money, happened many times. The amount of money involved in these crimes was astronomical. It

caused serious losses and the effect was widespread. When carrying out the trial tasks, all levels of courts worked on major and serious cases. They blocked all interference, verified all evidence seriously, punished the criminals harshly, and advocated a smooth anticorruption struggle development. A total of 22 economic criminals were given death sentences, suspended death sentences, and life imprisonment sentences while 483 were given imprisonment terms of over five years.

Second, the policy boundary was strictly applied. All levels of courts insisted on remaining resolute and prudent while adhering to the principle of accuracy when trying cases of economic crime. The line between guilt and innocence, between guilt of one charge and another, between serious crime and petty crimes was strictly drawn. The law and policy were resolutely followed when handling cases. The key leaders of the courts at the provincial, city, and county levels participated directly in the trial and handling of cases that were major, serious, difficult, or complicated. The higher level courts persisted in checking to prevent errors from being incurred.

Third, the close working relations among related departments were enhanced. All levels of courts volunteered to listen to the opinion of the provincial party committee, the provincial people's congress, and the people, especially when dealing with major and serious cases. When problems were encountered, they communicated with the public security and procuratorial departments as well as reported to and sought advice from their superior organs. By doing so, they were able to handle cases correctly and in a timely fashion on the premise of working according to the law and policy.

3. Strengthen economic trial vigorously and service economic development.

In 1995, the courts in the province received 69,650 economic dispute cases of first instance, an increase of 19.8 percent over the previous year. They concluded 64,030 economic dispute cases at first instance, an increase of 20.5 percent over the previous year. The amount of money involved in the cases totaled over 99.6120 [as published] yuan.

(1) Cases closely related to reform and opening up programs were energetically tried and handled. First was to handle the economic dispute cases involving large and medium sized state-owned enterprises, based on the actual situation of Liaoning and in accordance with the state law and economic policy. The principle of providing help, assistance, and support was adopted and each dispute case was properly handled. Based on promoting better relations regarding property rights and relations between debts receivable and debts payable, we encour-

aged enterprises to transform the mechanisms and develop production. We also helped enterprises sell their stock faster to invigorate circulation of funds. The enterprises were encouraged to make lateral associations, to face the market, and to compete fairly. Strong legal measures such as sealing up and confiscating, detaining, and freezing properties in question were adopted. These measures were selected in such a way that the production and operation of the enterprises were not to be affected and that their independence in operation was protected. Second was the emphasis on maintaining social stability and protecting the legal rights of parties involved when dealing with hot cases concerning the deepening of reforms and modern crimes. For instance, cases concerning banking, futures, gathering funds illegally, trademark, patent, voucher, bankruptcy, and so on directly affected the enthusiasm of the people in building socialism. Therefore, all levels of courts insisted on following the state law and policy strictly when trying these kinds of cases. They solidly protected the legal rights of the parties involved, did a meticulous job in providing guidance for ideology development patiently, stabilized the mood of the people, and prevented contradictions from escalating. Third was to maintain the principle of protecting the legal rights of both local and foreign parties involved fairly so as to create and revitalize the opening up program, to induce local and foreign investment, and to create a legal environment for fair competitions. We encouraged foreign investments, supported the normal foreign economic relations and foreign trade activities, and promoted the opening up of Liaodong Peninsula to the outside world. There were 133 economic dispute cases tried, which involved foreign countries, Hong Kong, Macau, and Taiwan. The local and foreign parties involved were satisfied with the outcome of the trials.

(2) The service area was continuously expanded. All levels of courts were able to establish a prosecution performance concept with the trial of the economic dispute cases. They were concerned about what the enterprises were concerned about, accelerated the trial process, reduced the time and money consumption of prosecutions, and sped up the circulation of capital resources. All levels of courts combined the services before, during, and after the prosecution closely together. They adopted multiple styles to actively help enterprises smoothen out the contract relations and plug all kinds of loopholes in light of the economic development situation. They improved the concept and ability of the enterprises in terms of operating according to the law and managing it scientifically.

(3) The reform of trial methods was deepened. For the past few years, all levels of courts in the province

energetically explored ways to reform and improve the work of the courts, especially economic trial reform, in which preliminary results had already been achieved. The measures taken, such as minimizing the court procedures, conducting open trials, strengthening court and trial functions, enhancing the functions of the collegiate bench, emphasizing the responsibility of the parties involved to provide evidence, having all rationale and evidence given in court, and making the judgment and giving the sentence terms in court, not only met the guidelines of the procedural law, but also reduced the work pressure of the courts. They were particularly beneficial to the judging cadres to administer and enforce the law honestly. As a result, the quality and efficiency of economic trial and judgment work were improved relatively.

4. Develop the civil and administrative trial and judgment work in full scale and promote stability and solidarity.

For the past year, all levels of people's courts earnestly implemented the regulations of the civil law and the civil procedural law. Protecting social stability and solidarity were taken as the starting point to carry out full-fledged development of civil trial tasks. There were 166,744 civil cases of various natures that were received in the year and 157,172 cases were tried and concluded according to the law. This work played out an important function in society. First, we handled frequently occurring cases seriously. Among the cases received last year for first trial, 146,268 cases, or 93.9 percent of all cases received, were related to marriage, debt, and compensation. All levels of courts paid attention to the feelings of both parties involved when trying the marriage dispute cases in order to prevent divorces from being granted carelessly, to prevent people from running away from debts with fake divorces, to maintain socialist marriage and family relations, and to protect the legal rights of women and children. In handling cases involving debts, attention was paid to the relations between debts receivable and debts payable. Attention was also given to protect the continuity and stability of production and operation. Illegal borrowing, lending, and high interest loans were eliminated. In handling compensation cases, attention was paid to distinguish right from wrong. The responsibility of each party was correctly identified so that the amount of compensation could be derived logically and reasonably. Second, we handled the modern crimes properly. For a period of time, the number of cases received by the people's courts concerning housing and real estate development, financial security trading, labor dispute, and infringement on right of reputation, copyright, and the right to a portrait increased on a large scale. These kinds of cases usually involved large sums

of money, large numbers of people, and complicated legal implications. All levels of courts insisted on starting from a practical point, taking a positive and prudent attitude, and correctly identifying the legal implications and legal responsibilities. They protected those who ought to be protected and punished those who ought to be punished according to the law. Most of the cases were satisfactorily completed. Third, we provided guidance and worked on the ideology of the parties involved patiently and meticulously so as to prevent contradictions from escalating. All levels of courts set their footings on resolving disputes and eliminating unstable elements when handling cases. The same base applied to both the frequently occurred cases, such as cases involving marriage, debt, compensation, etc., and modern crimes, such as cases concerning housing, real estate, financial security, copyright infringement and reputation rights, and so on.

The administrative procedural law has been implemented for five years. All levels of courts energetically and surely developed the administrative trial and judgment work. Last year, the courts in the province received a total of 1,556 administrative cases, an increase of 24.8 percent over the previous year. All levels of people's courts voluntarily fought for the support of the party committees and provincial people's congress. They took an active role in communicating and discussing with the related departments. The law was strictly enforced. Through the trials of various types of administrative cases, the usage of the position power vested in the administrative organizations was protected and supervised according to the law. The legal rights of the citizens, legal persons, and other organizations were protected.

5. Strengthen the construction of the court cadre contingent and enhance the law enforcement level vigorously.

For the past year, all levels of courts in the province persisted in promoting the trial and judgment work and contingent construction simultaneously. They took the task of improving the political and professional quality of the police cadres as the important measure that enabled the courts to get all other tasks done.

First, we took the implementation of the guidelines of the fifth plenary session of the party Central Committee and the enforcement of the judge law as the juncture so as to heighten the police cadres' sense of responsibility and sense of duty. Based on their actual work situation, all levels of courts seriously organized the prodigious police cadres to learn the guidelines of the fifth plenary session of the party Central Committee deeply. They helped the police cadres further recognize the situation clearly, define the direction properly, firm up their con-

fidence, and enhance their determination in enforcing the basic line of the party. The sense of responsibility and sense of duty of the police cadres in using the trial and judgment function to accelerate the development of the socialist market economy system were improved. Starting from last 1 July, the "judge law of the PRC" was officially put into effect. In adhering to a policy of implementing the judge law fully, all levels of courts did a lot of work on the ideology of their staff, the professional quality, the management mechanism, public opinion and propaganda, the overall law enforcement level, and other related areas. Base on these ground-work, the construction of the overall court contingent was further strengthened. The enthusiasm and positive outlook of the enormous police cadres toward their work were mobilized.

Second, we focused on building an honest administration and developing the education and rectification of the contingent. According to the overall plan of the party Central Committee and provincial party committee, the courts in the province concentrated on the general development of the education and rectification of the ideology, discipline, and style of the cadre contingent. Based on the rectification targets, which included the "four insistence" and "three bans" suggested by the party Central Committee and the "five affirmative actions and five prohibitions," the key leaders of the courts at various levels took on the responsibility personally. They meticulously organized and arranged the tasks so that the focus was placed on the key points and adjustments were made whenever necessary. Through education and rectification, the internal control and external supervision mechanism of the various levels of courts were generally enhanced. Strict regulations and systems were further established and improved, especially on improving the contingent management mechanism. At the same time, the regulations and system was strictly enforced and the investigation of the law and discipline violations was expanded. Last year, 82 people involved in the law and discipline violation were investigated and handled and eight people were dismissed or transferred from their court duty.

Third, the courts took enforcing the law strictly as the central task and strengthened trial supervision. The courts in the province generally established and promoted the system to avoid nepotism, the open system for presenting cases, and the system of investigating wrongly handled cases. Through the second trial and the third trial and through the law enforcement and inspection activities, the problems encountered during the trial process were promptly resolved. By adopting various methods such as hiring honest administration supervisors and law enforcement supervisors, scheduling

dates for court presidents to receive localities who filed complaints, calling for scheduled and unscheduled public meetings, and asking the parties involved for evidence and cross examining them, all levels of courts earnestly paid attention to the opinion and suggestions of the people from all sectors of the society about the courts' work.

Fourth, professional training was enhanced aiming at improving the law enforcement level. The courts at all levels used the judge training center and spare-time law school as their training bases. Focus was placed on developing the under graduate and master degree academic education on this subject based on the academic education at university level. Emphasis was also given to strengthen vocational training and to breed high level, versatile, and special types of talents in the legal field. The professional ability of the judging cadres was vigorously increased.

For the past year, the courts in our province made definite achievements in their work. However, there is still quite a gap between the accomplishment and the requirements of the party and the government as well as the continuous development of the social situation. The main shortcomings are: The new laws and regulations issued by the government were not studied thoroughly enough; the application of the trial experience was not good enough and sometimes not proper; the policy was not applied to the fullest on some of the hotly disputed social issues and modern crimes, and some cases were not being handled properly; a few major and serious cases were not handled promptly which affected the effectiveness of the crackdown and service; the handling of some cases were not strong enough in some places, some times; the difficulties and chaos in enforcement of judgments were still relatively dominant which caused strong social repercussions, such as with local protectionism, the casual usage of compulsory measures, or even putting someone into custody by force were quite common; and individual judges adopted rough work styles, their work was not detailed, and some even violated the law and discipline so as to have a negative influence on the people. We will adopt positive measures to resolve these problems and enhance and improve our work vigorously.

In the new year, all levels of people's courts will take the guideline of the fifth plenary session of the 14th party Central Committee as the principle. They should insist on placing their focus on the central tasks, protecting key work, and serving at key jobs. They have to enforce the law strictly, fairly, honestly, and bring the function of the trial and judgment work into the fullest play. The work of the courts have to be improved and enhanced continuously. In maintaining

the social stability, promoting the development of the socialist market economy, ensuring the deepening of the reform and opening up program, they will make even bigger contribution to propel Liaoning's second pioneering program.

Northwest Region

PRC: Ningxia Court Issues 1995 Work Report

SK2606132796 Yinchuan NINGXIA RIBAO
in Chinese 16 May 96 p 3

["Excerpts" of report on the work of the Ningxia Hui Autonomous Regional Higher People's Court given by Zou Xianchao, president of the Higher People's Court, at the fourth session of the seventh regional people's congress on 25 April]

[FBIS Translated Text]

I. We Strengthened the Struggle to Deal Stern Blows to Serious Criminal Crimes and Spared No Effort in Guaranteeing Social Stability.

In 1995, people's courts at all levels across the region made safeguarding stability their number one task and dealt stern blows to activities concerning various serious criminal crimes. A total of 3,591 criminal cases were accepted and heard in the first trial, and 3,509 were concluded, up 1.15 percent and 1.36 percent respectively over 1994. Of the 3,161 criminals whose verdicts went into legal effect, 1,121 were sentenced to more than five years' imprisonment, life imprisonment, or death (including death with a reprieve), accounting for 36.7 percent of the total and registering an increase of 4.53 percentage points over 1994; 1,934 were sentenced to less than five years' imprisonment, criminal detention, or were put under surveillance; 65 were exempted from criminal punishment; and 41 were found not guilty.

We paid close attention to the key points of fighting crime and dealt stern blows to criminals who seriously endangered public security. Over the past year, courts across the region continuously adhered to the guiding principle of dealing stern blows to crimes; maintained close cooperation with public security and procuratorial organs; stepped up their efforts to crack down on crime; and consistently gave priority to cracking down on murders; robberies; bombings; rapes; major and serious thefts; vicious and violent hooliganism; gun-related crimes; gang crimes with an underground nature; drug-related crimes; the crimes of abducting, trafficking in, and kidnapping women and children; and the crime of sabotaging transportation, communication, and power equipment. In 1995, of the 2,660 criminals seriously endangering public security whose verdicts went into legal effect, 1,054 were sentenced to more than five years' im-

prisonment, life imprisonment, or death (including death with a reprieve), accounting for 39.62 percent of the total and registering an increase of 4.51 percentage points over 1994.

People's courts at all levels of across the region conscientiously carried out the "decision of the Standing Committee of the National People's Congress on banning drugs," actively participated in the struggle to suppress drugs, and relentlessly cracked down on drug-related criminals. In 1995, they accepted and heard 103 drug-related cases, up 4.04 percent over 1994, and concluded 99, up 2.06 percent. Of the 110 criminals whose verdicts went into legal effect, 58 were sentenced to more than five years' punishment, accounting for 52.73 percent of the total.

We dealt stern blows to corruption, bribery, misappropriation of public funds, and the crime of sabotaging the economic order. In 1995, in line with the plans of the party Central Committee on intensively conducting the anticorruption struggle and the specific demands of the regional party committee, courts across the region resolutely carried out the guiding principle of sternly punishing criminals according to the law. They accepted and heard 190 economic cases involving 263 people, up 16.57 percent and 16.38 percent respectively over 1994; and concluded 186 cases involving 259 people, up 21.57 percent and 17.20 percent, respectively. Of the 148 criminals whose verdicts went into legal effect, 47 were sentenced to more than five years' punishment, accounting for 31.76 percent of the total and an increase of 1.51 percentage points over 1994. They concluded 59 major economic cases involving more than 10,000 yuan each, up 59.46 percent over 1994, and two cadres at the county (section) level were given punishments fitting their crimes.

We gave full play to the functional role of trials and actively participated in improving all facets of public security. In 1995, people's courts at all levels across the region adhered to the guiding principle of "laying equal stress on preventing and cracking down on crimes, simultaneously taking stopgap and radical measures, and giving priority to getting at the root of crime," while also actively participating in improving all facets of public security. 1) Through public trials, they intensively carried out propaganda and education concerning laws. Over the past year, courts across the region held 82 open meetings to pronounce judgment, passing judgment on 378 cases involving 676 people. There were 90,6500 participants at the meetings. This not only instilled a sense of fear in criminals, but also educated people. 2) They conscientiously carried out the party's criminal policies on combining severe punishment with leniency. Therefore, they embodied the policies and

were lenient in treating offenders whose punishment could be mitigated according to the law. Criminals whose cases were not very serious and who did not very seriously endanger public security were sentenced to a set prison term with a reprieve, to criminal detention, or were put under surveillance. They also assisted relevant units to attend to the work of educating prisoners in prisons and reformatories. In 1995, 441 criminals were given a probation or put under surveillance. 3) They actively tried juvenile cases and continuously did a good job in changing and reforming delinquent youth through education. 4) They gave full play to the dominant role of civil, economic, and administrative trials in the comprehensive management of public security so as to promptly remove contradictions and eliminate destabilizing factors. 5) They continuously did a good job in commuting punishment and provisional parole releases. In 1995, courts across the region handled 304 cases on commuting punishment and 39 cases on provisional parole releases so as to reform criminals. 6) They intensified efforts to make judicial suggestions and promptly proposed judicial suggestions to relevant units on problems discovered during adjudication so as to plug up loopholes and perfect internal management. 7) They did a good job in handling petitions. In 1995, courts across the region handled 7,097 letter reports from the masses and received visits from 20,952 people. 8) They strengthened the work of people's courts as well as promptly mediated and handled a large amount of civil and economic disputes according to the law so as to prevent contradictions from intensifying. At the same time, they did a better job in giving vocational guidance to mediation organizations so as to promote the comprehensive management of public security.

II. We Gave Play to the Functional Role of Administration of Justice in Regulating Economic Relations To Promote the Region's Reform, Opening up, and Economic Construction.

In 1995, courts across the region accepted and heard 2,749 economic dispute cases through the first trial, up 17.27 percent over 1994; and concluded 2,547, up 16.40 percent. The amount of money involved in these cases totalled 198.9294 million yuan, up 30.65 percent over 1994.

We intensified efforts to hear cases related to economic system reform. In order to guarantee the implementation of the state's macroeconomic regulatory and control measures, safeguard normal financial order, and promote the smooth progress of reforming state-owned enterprises, people's courts at various levels across the region conscientiously tried cases concerning disputes over loan contracts or debts between legal persons, im-

proved the situations in which legal persons owed or delayed payment of goods to each other for a long time, cleared accounts payable and receivable, expedited the circulation of funds, and protected state-owned assets. In 1995, they accepted and heard 533 cases of this kind, up 19.51 percent over 1994, and concluded 525 cases. The amount of money involved in this kind of case totalled 58,822,800 million yuan. In 1995, they accepted and heard 28 cases on enterprise bankruptcies, up 64.71 percent over 1994. People's courts tried this kind of case in an active, cautious, and reliable way; strictly grasped the conditions of bankruptcy; asked bankrupt enterprises to clear debts according to the law; prevented the loss of state-owned assets; and relied on government and relevant departments to make good arrangements for the staff and workers of bankrupt enterprises.

We tried cases related to disputes over agriculture and rural economy according to the law. People's courts proceeded from helping the stability and perfection of the rural contract household responsibility system with remuneration linked to output and a management system in rural areas whereby unified management is combined with separate management so as to promote the development of the rural economy. They intensified efforts to try various rural contract dispute cases concerning land, mountains and forests, and orchards. Over the past year, courts across the region concluded 61 rural contract dispute cases, thus safeguarding the stability of contracts. In the course of trying agriculture-related cases, people's courts put safeguarding the legitimate rights and interests of peasants first, as well as resolutely punished persons who produced and sold fake and shoddy seeds, chemical fertilizers, and pesticides and caused unnecessary loss to peasants whenever they were discovered.

We intensified efforts to try economic dispute cases arising from the circulation field. In 1995, courts across the region accepted and heard 841 cases concerning disputes over purchase and sales contracts through the first trial, accounting for 32.59 percent of all economic dispute cases. A total of 836 cases were concluded, and the amount of money involved in these cases totalled 51,228.2 million yuan. A total of 133 cases concerning contract construction projects were concluded. By trying these cases, people's courts protected fair market competition, punished unfair competition, standardized market behaviors, and promoted the development and perfection of the construction market.

We tried cases concerning intellectual property rights according to the law. The region's courts strengthened the work of trying cases concerning intellectual property rights. They protected the legitimate rights and interests of owners of intellectual property rights according to the law. They punished various law-breaking behaviors

infringing upon intellectual property rights so as to expedite the commercialization and industrialization of scientific and technological achievements.

III. We Strengthened the Judicial Protection of the Legitimate Rights and Interests of Citizens and Legal Persons To Promote the Building of the Socialist Democracy and Legal System.

In 1995, the region's courts stepped up efforts to use such judicial means as civil and administrative trials to protect the legitimate rights and interests of citizens and legal persons according to the law, and promptly handled a large number of cases related to personal and property rights.

We energetically carried out the activities of trying civil cases. In 1995, the region's courts accepted and heard a total of 13,408 civil cases through the first trial, an increase of 11.08 percent over 1994 and accounting for 67.48 percent of the total cases accepted by courts for the first trial. They concluded 12,856 cases, up 10.56 percent over 1994. They accepted and heard 7,016 marriage and family cases through the first trial, up 7.86 percent over 1994 and accounting for 54.59 percent of all civil cases accepted by courts. In the course of handling marriage and family cases, people's courts conscientiously carried out the marriage law, the law protecting the rights and interests of women, the laws protecting minors, and other laws so as to realistically protect the legitimate rights and interests of women, children, and the aged. In 1995, the region's courts accepted and heard 3,552 cases concerning debts, up 13.49 percent over 1994. The efforts of people's courts to conclude cases concerning disputes over debts among people according to the law not only protected the legitimate rights and interests of creditors, but also safeguarded the normal order in people's production and livelihood. In 1995, courts across the region concluded 1,544 civil cases concerning compensation for damages, up 12.13 percent over 1994. By accepting and hearing this kind of case according to the law, people's courts punished civil law-breaking behaviors and safeguarded the stability of the social order. At the same time, their endeavors to conclude 289 cases concerning real estate disputes promoted the development and perfection of the region's real estate market; their endeavors to conclude 11 labor dispute cases readjusted labor relations according to the law and realistically guaranteed the legitimate rights and interests of laborers; and their endeavors to conclude 66 cases concerning personal and property rights, such as the rights of reputation, honor, and names, safeguarded the democratic, personal, and property rights of citizens according to the law.

We conscientiously did a good job in trying administrative cases. In 1995, we accepted and heard 123 administrative cases involving public security, land, urban construction, and environmental protection of administrative departments through the first trial, up 6.96 percent over 1994. We concluded 117 of the cases. By accepting and hearing these administrative cases according to the law, people's courts promptly rectified law-breaking administrative behaviors of administrative organs, protected the legitimate rights and interests of citizens and legal persons, and at the same time supported administrative organs to perform administration according to the law.

We strengthened complaints and appeals work so as to protect citizens' lawsuit rights according to the law. People's courts at various levels across the region further improved the work concerning complaints and appeals, as well as extensively carried out the system of separating the registration of cases for investigation and prosecution from the trials of cases. This not only eased people's difficulty in bringing lawsuits but also shortened the time for examining registered cases and effectively safeguarded the lawsuit rights of persons concerned. Over the past year, the regional higher people's court further strengthened the work of adjudication supervision. In line with the principle of "seeking truth from facts and rectifying whatever is wrong," it resolutely rectified according to the law cases that were judged unfairly and wrong behaviors arising from law enforcement activities. In 1995, courts across the region retried 124 cases in line with the procedure of adjudication supervision and concluded 101 cases. Of these, the original sentences of 25 misjudged cases were changed, accounting for 24.75 percent.

While strengthening the work of adjudication supervision, people's courts consciously accepted the supervision of people's congresses at all levels, procuratorial organs, and the society. In 1995, under the arrangement and plans of the regional people's congress, the standing committees of a great majority of city and county (district) people's congresses across the region appraised the administration of justice and law enforcement of people's courts and proposed many good opinions and suggestions. This played a promoting role in further enhancing the judicial level of people's courts and improving the style of trials. We have formulated specific measures to conscientiously rectify the problems existing in our work. In 1995, courts across the region accepted and heard 16 protests lodged by procuratorial organs, up 6.67 percent over 1994, and concluded 15 cases. Of these, five protests were deemed reasonable, and the original decisions were deemed wrong and changed according to the law; one case was sent back for retrial;

seven protests were deemed untenable and the original sentences were considered correct and upheld; and two cases were withdrawn by procuratorial organs or handled through other measures.

We intensified efforts to enforce judgments. In 1995, the region's courts further strengthened and improved the work of enforcing judgments, extensively carried out the activities of concentrating on enforcing judgments, and fully used legal means in the course of enforcing judgments so that the judgments of a large number of cases could be enforced. In 1995, 9,244 cases concerning enforcing judgments were accepted and heard, the judgments of 6,332 cases were enforced, and the amount of money involved in these cases totalled 118,970,800 yuan. Although some progress and achievements were made in enforcing judgments, some of the following problems still remain. Some law enforcement personnel misused compulsory measures, and the seizure of property of persons who were not involved occurred now and then. Some localities and departments carried out local and departmental protectionism out of their partial and local interests, and some persons concerned were motivated by personal gain to create fairly big difficulties and obstructions to the work of enforcing judgments. Therefore, we should adopt effective measures and conscientiously solve them. At the same time, I wish that various relevant departments will strictly handle affairs according to the law so as to realistically resolve the problem of "having difficulty enforcing judgments."

IV. We Energetically Intensified Efforts To Reform and Build Courts in an Endeavor To Enhance the Judicial Level.

We continued to deeply reform judicial methods. Over the past year, courts across the region energetically gave impetus to reforming the methods of trying civil and economic cases, persisted in giving priority to public trials, strengthened the function of court trials, strengthened the responsibility of persons concerned in providing evidence, gave full play to the role of collegiate bench and independent trials, and achieved significant results in these areas. The political and vocational quality of judicial personnel was further enhanced; the rate of handling cases was quickened, the procedural time shortened, and the quality of handling cases significantly enhanced. The transparency and fairness of the administration of justice were further strengthened.

We intensified efforts to manage courts and strengthened the mechanism of restraint. In 1995, the region's courts conscientiously studied the judge law, stepped up efforts to manage courts in a scientific way, formu-

lated and perfected various laws and regulations one after another, standardized work procedures, signed letters of responsibility for attaining given targets, and specified the quantitative targets of handling cases so as to manage courts and judges in a scientific and legal way. In the activities of "the year of education in serious law enforcement" carried out by the region's courts, we took paying close attention to implementing and perfecting the system for investigating law-breaking cases as an important content, rectified judicial order, standardized judicial activities, paid attention to educating cadres through positive examples, seriously investigated and affixed 20 judicial personnel who misjudged cases, and conscientiously investigated and dealt with law- and discipline-breaking behaviors.

We paid close attention to building contingents so as to enhance their quality. Over the past year, we paid close attention to studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; strengthened ideological and political work; educated the broad masses of cadres and policemen to establish a correct outlook on the world, life, and values; firmly established the ideology of regarding wholeheartedly serving people as a basic purpose; handled as many cases as possible; dealt with cases as fast as possible; and did a good job in handling cases. In 1995, a large number of advanced collectives and individuals in courts across the region came to the fore. During the year, 18 units and 34 people won merit citations, and Jiang Shouren, president of the people's court in Yongning county, and Rong Guifang, deputy chief judge of the first criminal division of the regional higher people's court, were awarded the title of national advanced worker and national model court personnel respectively. We carried out the work of checking and evaluating judges. In December 1995, a unified nationwide examination for new and assistant judges was carried out for the first time. The on-the-job training of judges was strengthened. The regional higher people's court formulated and issued the "plan for educating and training cadres in courts across the region from 1996 to 2000," as well as put forward specific targets and moves for educating and training cadres. The Ningxia campus of the national part-time law university formally started a regular college course in law in September 1995. At present, 61 percent of the judges in courts across the region who have a college or higher education in law. In 1995, the regional higher people's court held several training classes one after another in order to study new laws and make judges accept on-the-job training. In 1995, focusing on some corrupt situations and law- and discipline-breaking problems that existed in contingents of judges, courts across the region educated and rectified entire groups cadres and policemen in terms of ideology, work style,

and discipline. They conscientiously examined and rectified problems that caused strong resentment from the masses, such as accepting feasts and gifts from persons concerned in the course of handling cases and establishing unprincipled relationships with law-enforcement personnel or establishing underhanded relations for personal gain. They resolutely gave serious punishment to a few law- and discipline- breaking cadres and policemen who did wrong to serve their friends or relatives or bent the law and took bribes. During the year, 10 law- and discipline-breaking people were punished, with one receiving criminal punishment.

Although people's courts have made great achievement in the administration of justice over the past year, some shortcomings and problems still exist. They are mainly seen in the following aspects: The punishment imposed on some criminal cases is either too light or too heavy, and the effort to crack down on crimes is insufficient. The judgment passed in a few civil and economic dispute cases is unfair. Some courts fail to take the initiative in consciously accepting the supervision of the people's congress, all social sectors, and courts at higher levels. The problem involving very few cadres and policemen who extort money from persons concerned or accept their feasts is fairly prominent, and some of them even commit crimes because of this. This seriously defames the people's courts. The funds provided for courts to handle cases are universally insufficient, and the equipment of courts is backward. This restricts the full play of the adjudication function. Therefore, we should conscientiously overcome and resolve these shortcomings and problems in our work for some time to come.

V. The Main Work and Tasks for the People's Courts During the Ninth Five-Year Plan Period.

During the Ninth Five-Year Plan period, the overall guiding ideology for the work of people's courts is: We should regard Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guidance; adhere to the party's basic line and the basic guiding principles of "seizing the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability"; center on the general tasks of the entire party and state; and comprehensively promote various judicial tasks. We should persist in strictly enforcing the law, enhance the overall quality of contingents, improve law-enforcement conditions, step up efforts to reform and build courts, and give full play to the functional role of trials in order to provide an effective judicial guarantee for realizing the region's Ninth Five-Year Plan. The overall targets are: During the Ninth Five-Year Plan period, the qual-

ity, efficiency, and social effect of the administration of justice of courts across the region should be pushed to a new stage. New progress should be made in reforming and managing courts. The quality of judges should be further enhanced, and the material construction of courts should be further developed.

In 1996, people's courts at various levels across the region should conscientiously attend to the following tasks. 1) We should attach great importance to conscientiously doing a good job in safeguarding stability. We should consistently adhere to the principle of dealing stern blows to crime, severely crack down on criminal activities that endanger state security and seriously endanger public security, and resolutely wipe out various ugly social situations. We should adhere to the principle of sternly punishing criminals, as well as deal stern blows to corruption, bribery, misappropriation of public funds, and criminal activities that endanger reform and opening up and sabotage the economic order. While focusing on the administration of justice, we should actively participate in improving all facets of public security. 2) We should comprehensively use the functional role of administration of justice; regulate economic relations according to the law; and protect the legitimate rights and interests of citizens, legal persons, and other organizations so as to promote the region's reform, opening up, and economic development. We should step up efforts to try economic, civil, and administrative cases; conscientiously attend to the work of complaints and appeals; and further strengthen the enforcement of judgments. 3) We should persist in strictly enforcing the law and unceasingly enhance the judicial level. We should persist in giving priority to public trials, comprehensively promote the reform of judicial methods, and advocate the practice of making presidents of courts handle cases personally. We should further strengthen adjudication supervision and consciously accept the supervision of various sectors. We should attend to investigation and study and actively transform the achievements we have made in investigation and study into "productive forces." 4) We should consolidate the ranks of courts. We should conscientiously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; strengthen ideological and political construction, the building of work style, and vocational building; and build a judge contingent that is firm in politics, proficient in vocational work, and has a work style that withstands all tests, is well-disciplined, and enforces the law impartially. We should step up efforts to build leading bodies so as to make them a fortress with strong fighting power. We should strengthen the education in fighting corruption and degeneration and intensify efforts to build clean and honest courts. 5) We should deepen the work of manag-

ing courts and endeavor to improve law-enforcement conditions. We should deepen the work of managing courts based primarily on management of trials, perfect various responsibility systems and laws and regulations, and standardize the administration of justice. We should actively strive for support and assistance from relevant departments so as to improve the law-enforcement conditions of people's courts.

PRC: Qinghai Procuratorial Work Report

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[Report by Liu Xiao, acting chief procurator of the Qinghai Provincial People's Procuratorate, on the work of the Qinghai Provincial People's Procuratorate to the fourth session of the eighth provincial people's congress on 13 April]

[FBIS Translated Text] Fellow deputies:

I now submit a report on the main situation of the provincial procuratorial work in 1995 to this session for your discussion.

In 1995, under the leadership of the provincial party committee and the Supreme People's Procuratorate and under the supervision of the provincial people's congress and its standing committee, the procuratorial organs across the province acted in close accordance with the general tasks of the party and the state; resolutely carried out the overall plans of central authorities and the provincial party committee on deeply conducting the anticorruption struggle and safeguarding stability; adhered to the work principle of "strictly enforcing the law and paying close attention to handling cases"; conscientiously exercised the function of legal supervision; and concentrated their efforts on investigating and handling major and serious cases concerning corruption and bribery. They gave stern and quick blows to serious criminal crimes according to the law, strengthened law-enforcement supervision, made new progress in various procuratorial tasks, and made positive contribution for safeguarding Qinghai's political and social stability and ensuring the smooth progress of reform, opening up, and economic construction.

I. We Concentrated Efforts on Investigating and Handling Major and Serious Cases To Unceasingly Deepen the Anticorruption Struggle.

In 1995, in line with the instruction of the provincial party committee on deeply conducting anticorruption struggle and the plan of the national chief procurator work conference, the procuratorial organs across the province acted in line with Qinghai's actual conditions and promptly studied specific measures for further

cracking down on corruption, bribery, and other economic crimes. All levels of procuratorial organs across the province adhered to the work demands of "realistically and quickly producing a desired result in cracking down on crimes" as well as concentrated efforts to investigate and handle a number of major and serious economic cases concerning corruption and bribery so as to further deepen Qinghai's anticorruption struggle. According to statistics, in 1995, clues to 531 economic cases were received, and 254 cases were put on file for investigation and prosecution. Among them, 114 were corruption cases, 68 were bribery cases, 47 were cases of misapplying public funds, and 25 were cases on counterfeiting trademarks, evading tax and refusing to pay tax, cheating the state's tax refund, and other economic crimes. A total of 139 offenders were arrested, 165 people were indicted by the people's courts, and through handling cases, the economic loss worth 9,009,600 yuan was retrieved for the state and collectives.

Focus was laid on investigating and handling the following cases.

A. We placed a number of major cases on file for investigation and prosecution. A total of 147 major cases were put on file for investigation and prosecution, accounting for 58 percent of the total. Among them, 105 corruption and bribery cases each involved from 10,000 yuan to 100,000 yuan, and 10 cases each involved from 100,000 yuan to 500,000 yuan. Twelve cases concerning misappropriation of public funds each involved from 50,000 yuan to 100,000 yuan, eight cases each involved from 100,000 yuan to 500,000 yuan, and three cases each involved more than 500,000 yuan. Three cases on counterfeiting trademarks, evading tax, and refusing to pay tax each involved from 50,000 yuan to 100,000 yuan, and three cases each involved more than 100,000 yuan. The remaining three cases involved other crimes. The case involving Zhao Jingfang, staff of the provincial securities trade center, who misappropriated public funds worth 1.41 million yuan, was put on file for investigation and prosecution. Shi Xiaodong, purchasing agent of a nongovernmental trade company in Guinan County stationed in Xining, embezzled funds worth more than 270,000 yuan gained from selling chemical fertilizers. After the prosecution of procuratorial organs, he was sentenced to death by the court, with suspended execution of sentence for two years.

B. We investigated and handled a number of serious cases involving leading cadres at and above county and section levels. In 1995, 14 criminal cases involving cadres at county and section levels and two criminal cases involving cadres at the department level were put on file for investigation and prosecution. The cases on misapplying public funds and accepting bribes,

which were put on file for investigation and prosecution, involved Sun Guangrong, general manager of Xinda industrial and commercial limited-liability company and member of the standing committee of the provincial Chinese People's Political Consultative Conference [CPPCC] Committee (at the department director level) as well as Han Yuliang, deputy director of the provincial post and telecommunications management office.

C. We made fairly big progress in investigating and handling criminal cases involving the personnel of the party and government leading organs, judicial organs, administrative law-enforcement organs, and economic management departments. Cases involving 82 personnel were put on file for investigation and prosecution, up 26 percent over 1994. Among them, 10 were the personnel of party and government leading organs, 4 were the personnel of judicial organs, 15 were the personnel of administrative law-enforcement organs, and 53 were the personnel of economic management departments. Through punishing a number of corrupt elements, the broad masses of cadres and people were educated.

D. We placed on file a number of criminal cases that were characteristics of certain industries and thoroughly investigated them. The procuratorial organs in various places went down to real estate, construction, supplies, banking, and post and telecommunications departments and units for thorough investigation, and they discovered a number of crimes that were characteristics of the trades. The anti corruption bureaus of the provincial procuratorate, the procuratorate of Xining city, and the procuratorate of Chengxi District made jointed efforts to uncover 10 corruption and bribery cases concerning the provincial and city post and telecommunications departments, of which, seven were major cases. The procuratorate of Chengxi District in Xining city went down to Xining branch of Zhongfang Group to investigate and solve the major cases involving Pan Yongtian, section chief in charge of relocation, who accepted bribes worth more than 280,000 yuan, and Teng Renjie, cadre of the relocation section, who accepted bribes worth more than 120,000 yuan.

E. We placed new types of criminal cases that endangered the implementation of reform measures on file for investigation. In line with the new situation and problems arising from the reform of the state's economic system, procuratorial organs at various levels intensified efforts to study new types of crimes and to investigate and deal with cases of counterfeiting trademarks, issuing false invoices for value-added taxes, and evading or refusing to pay taxes. In 1995, the provincial procuratorate placed on file for investigation four major cases on financial departments' misuse of public funds

for stock speculation. Therefore, we promptly cracked down on crimes and safeguarded the economic order of financial departments.

Judging from the cases we investigated and handled in 1995, corruption, bribery, and other serious corrupt situations were quite serious in some places and departments. Their characteristics were: 1. Many cases involved several criminals—a few people committing crimes together or one person offering bribes to a few people at the same time. In the course of handling cases, a captured criminal would usually confess about a number of accomplices. Of the 96 cases Xining investigated and handled, 50 percent involved such crimes. 2. While cracking down on crime, crimes still increased, and criminals committed crimes in an unbridled manner. The great majority of the cases we investigated and handled in 1995 were committed after the second plenary session of the Central Discipline Inspection Commission made plans for conducting an anticorruption struggle and after procuratorial organs unceasingly intensified efforts to crack down on crimes of corruption and bribery. These cases accounted for 82 percent of all cases. 3. The criminal cases involving incumbent personnel at advanced ages were conspicuous. Of the 80 corruption and bribery cases put on file for investigation by the procuratorate of Xining city, 33 percent involved criminals 50 years of age or older. Zhang Yankui, a 56-year-old senior engineer of the provincial people's air defense department embezzled public funds worth 80,000 yuan and misapplied public funds worth 100,000 yuan in a short time in order to buy a car for his son. 4. New means and forms of crimes unceasingly appeared. Such cases as tax evasion, using computers for stock speculation, and issuing false invoices for value-added taxes happened unceasingly in our province.

The anticorruption struggle is a great event that has a bearing on the life and death of our party and state, and it is an important guarantee for realizing the Ninth Five-Year Plan and the long-term target for the year 2010. In 1995, people reported 818 criminal clues concerning corruption and bribery to procuratorial organs, actively exposed crimes, and provided evidence. This showed great attention and support in our work of fighting corruption and investigating and handling major and serious cases. But corruption is a historical situation, and it is impossible to eliminate it in a short time. Hence, we should not only have sense of urgency but should also establish the ideology of fighting the battle on a long-term basis. We should rely on people, work unceasingly and unrelentingly, and thoroughly fight against corruption and investigate and handle major and serious cases on a long-term basis.

II. We Adhered to the Guiding Principle of Giving Stern and Quick Blows to Crimes, and Cracked Down Severely on Serious Criminal Crimes.

Dealing stern blows to serious criminal crimes and safeguarding social stability is always a hot issue that arouses a great concern of the broad masses of people, and it is also the work priority of procuratorial organs. Over the past year, under the unified plans of the local party committee and government, procuratorial organs across the province adhered to the guiding principle of dealing stern and quick blows to crime, intensified efforts to crack down on crime, and punished a number of serious criminal offenders according to the law so as to safeguard Qinghai's public security. According to statistics, procuratorial organs across the province received public security organs' applications for the arrest of 3,436 criminal offenders, down 23.5 percent over 1994. Of these, 3,024 were arrested. They received 4,086 criminals transferred by public security organs for prosecution or exemption from prosecution, down 8 percent over 1994. After cases were examined, 3,156 people were indicted and 190 exempted from prosecution. They received their own investigation departments' application for the arrests of 204 offenders. After examination, 101 people were arrested. They received 311 offenders transferred by these departments for prosecution, and after examination, 201 people were indicted.

A. Crime-fighting priority was given to such serious criminal crimes as murder, robbery, rape, theft, bombing, and armed crimes. We particularly intensified efforts to crack down on crimes by habitual offenders, recidivists, and criminal gangs. In 1995, we arrested 1,454 criminals involved in these crimes and instituted legal proceedings against 1,386 people. At the same time, we resolutely cracked down on criminals manufacturing and selling drugs, prostitutes and their clients, criminals abducting and trafficking in women and children, bus and train bandits and highwaymen, and hoodlums and criminal gangs. We also cracked down on the serious criminal crimes of sabotage against railroad, communication, power, and production facilities. We arrested 152 criminals involved in the aforementioned crimes and instituted legal proceedings against 179 people.

B. We adhered to the system of early participation in investigation. We persisted in participating in investigating serious and appalling cases that seriously endangered and had a bad impact on society, rapidly grasped the details of cases, promptly verified evidence, and quickly arrested and indicted criminals according to the law. According to incomplete statistics, in 1995, procuratorial organs participated in 160 investigation cases in the process of screening arrest and prosecution applica-

tions. In the course of examining cases, they adhered to the principle of "ascertaining basic facts and verifying basic evidence," paid close attention to examining arrest and prosecution applications, realistically carried out the guiding principle of "dealing stern and quick blows to crime," and used the role of the struggle of "dealing stern blows to crime" in warning criminals.

C. We strengthened investigation and study and paid close attention to social trends. In order to safeguard our province's social stability, in the struggle to "deal stern blows to crime," procuratorial organs conscientiously conducted investigation and study, promptly understood and grasped the developments of the enemy's and the social situation, and formulated specific measures for "dealing stern blows to crime" and preventing and handling sudden incidents. In the course of practice, they promptly handled petitions, actively assisted relevant departments to properly handle appeals to higher authorities for help, removed contradictions, cracked down on the criminals who stirred up troubles according to the law, and eliminated destabilizing factors.

D. We actively participated in the comprehensive management of public security and special rectification activities. In line with the unified plans of the provincial party committee and government, procuratorial organs at various levels actively participated in the spring struggle of dealing stern blows to crime and the third unified action of concentrating on improving all facets of rural public security. They organized cadres and policemen to go down to rural areas and the masses for investigation and study, cracked down according to the law on a number of criminal gangs and hoodlums who endangered local public security, and approved cases on arresting and indicting a number of serious criminal offenders who played tyrants and did evil in villages and townships so as to promote rural stability. Focusing on such crimes as manufacturing and selling guns in Huarong, Jianzha, Huangzhong, Xining, and other places, they cooperated with public security organs to carry out a special struggle to crack down on these crimes. Procuratorial organs approved the arrests of 98 criminals manufacturing and selling guns; 40 of them were involved in serious and appalling cases. This effectively cracked down on the crime of manufacturing and selling guns. Focusing on handling cases, various places conscientiously worked to improve all facets of public security. By establishing liaison points for comprehensive management, various places assisted in rectifying rural public security, extensively carried out propaganda and education concerning laws, and persisted in simultaneously taking stopgap and radical measures and combining the efforts of cracking

down on and preventing crimes. This produced a fairly good social effect.

At present, Qinghai's political situation and society are stable, its nationalities united, and economic development is good. Stable public security guarantees normal economic operation. Judging from procuratorates' work of cracking down on serious criminal crimes, the number of arrests and prosecutions approved by procuratorial organs dropped. However, the public security situation remained grim, there were still many factors affecting the province's stability, and serious and appalling cases in particular rose by 8.6 percent over the previous year. Therefore, we should never be unrealistically optimistic or slacken our guard. We should continuously maintain sharp vigilance and adhere to the struggle of "dealing stern blows to crime" without slackening the effort in the slightest degree.

III. Focusing on Law-Enforcement Supervision, We Carried out Various Procuratorial Tasks.

In line with the plans of the Supreme People's Procuratorate, procuratorial organs at various levels across the province unceasingly deepened the recognition of the importance of law-enforcement supervision, adopted specific measures, actively handled cases, and conscientiously carried out law-enforcement supervision.

The focus of procuratorial work in law- and discipline-enforcement cases was on investigating and punishing judicial personnel and administrative law-enforcement personnel involved in five kinds of cases: doing wrong to serve their friends or relatives, extorting confessions by torture, illegal detention, neglect of one's duties, or causing major accidents due to negligence. In 1995, we accepted and heard 179 law- and discipline-enforcement cases and put 65 cases on file for investigation and prosecution, up 27.5 percent over 1994. Of them, 48 were these five kinds of cases, accounting for 72 percent of the total. We placed 13 serious and appalling cases on file for investigation and prosecution. Dou Xinmin, deputy director of the public security bureau of Pingan county, and Zhang Shoulin, leader of the criminal police team, detained and interrogated criminal Zhang Shengji, who took and trafficked in addictive drugs and illegally bought and sold guns, and then released him with a fine of 500 yuan after their friends or relatives interceded for this criminal and sent gifts to them. (Zhang Shengji was sentenced to 11 years in prison by the Haidong Intermediate People's Court for addiction, selling heroin, and selling imitation guns and bullets.) For this, the provincial procuratorate placed this case involving Dou Xinmin and Zhang Shoulin, who did wrong to serve their friends or relatives, on file for investigation and prosecution.

In the course of supervising investigation activities, procuratorial organs made more than 200 written or oral suggestions for rectifying the law-breaking behaviors of public security organs. They decided to refuse to arrest 189 personnel whose activities did not constitute a crime according to the law, decided to arrest 14 criminals, and indicted 15 criminals. They supervised case registration. According to the 13th regulation of the criminal procedural law, they directly investigated four criminal cases which should have been investigated. They focused on rectifying such problems as failing to put cases on file for investigation, setting law-breakers free, and using fines instead of punishment.

In the course of supervising adjudication activities, procuratorial organs appeared in 1,632 first trials and 80 second trials in court to support prosecution. While exposing and cracking down on crime, they intensified efforts to protest against light punishment for felonies and against acquittals, and they lodged protests against 25 criminal judgments and verdicts which were found to be wrong. In the course of examining prosecution cases, they made 11 suggestions for rectifying law-breaking behaviors.

In handling complaints and appeals, procuratorial organs adhered to the principle of seeking truth from facts and rectifying whatever was wrong. They reexamined 38 appeals against court judgments and verdicts and the decisions of procuratorial organs on exemption from prosecution. They handled 1,876 petitions. Through education and persuasion, they removed contradictions and properly handled some problems concerning collective or urgent appeals to higher authorities for help and long-standing cases.

In handling problems arising from prisons and reformatories, procuratorial organs focused on supervising the enforcement of the judgment on criminals. In line with the regulation of the "prison law," they made suggestions for rectifying such problems as failing to enforce judgments passed in line with regulations and reducing a sentence, giving parole, and releasing prisoners on bail for medical treatment in violation of law. In 1995, six criminal cases involving seven personnel at reformatories and detention houses were put on file for investigation and prosecution, and more than 600 suggestions for rectifying law-breaking situations which existed in activities of reforming prisoners in prisons and reformatories were proposed. Extended detention of criminals was one of the prominent problems in law-enforcement activities. In 1995, the province discovered 304 offenders who were detained longer than the time due for the first time. Of these, 44 were detained by public security organs, 8 by procuratorial organs, and 252 by judicial organs. Procuratorial departments of prisons and refor-

matories made more than 1,110 suggestions for rectifying this situation. At the same time, they also cracked down on "prisoners who played tyrants in prisons" and handled 15 cases involving prisoners who committed crimes again so as to safeguard the normal order of prisons and reformatories.

In handling civil and administrative cases, while actively establishing organs and providing personnel, procuratorial organs accepted and heard more than 30 cases handed over by citizens, legal persons, and the people's congress. Twenty-six cases were concluded, and 17 cases were put on file for investigation and prosecution after examination.

Strict law enforcement was the central link in building China's socialist legal system. For this, we paid great attention to law-enforcement personnel's strict law enforcement, as well as strictly implemented internal restrictive systems in procuratorial organs. For the cases investigated by procuratorial organs, we persisted in separating investigation from the work of examining arrest and prosecution applications, and assigned different departments to handle the work separately. Since the implementation of the "state compensation law," procuratorial organs at various levels across the province actively carried out criminal compensation. The provincial procuratorate and the procuratorates of prefectures and cities all established special organs for criminal compensation, intensified efforts to investigate and study criminal compensation, thoroughly investigated and clarified compensation cases and clues, and formulated specific methods for compensation. In order to enforce the law impartially and guarantee the quality of handling cases, procuratorial organs across the province strengthened the system of responsibility for handling cases. The provincial procuratorate formulated "temporary provisions for investigating and assigning responsibility of procuratorial organs across the province that misjudged cases." It also demanded that those who misjudged cases because they were irresponsible in handling the cases, abused their power, failed to strictly enforce the law, or did wrong to serve their friends or relatives should be investigated so as to safeguard the unity and the correct implementation of the law.

China's constitution stipulates that procuratorial organs are established by the people's congress, and so should be responsible to it and subject to its supervision. Therefore, procuratorial organs at various levels across the province should take the initiative in accepting the supervision of the people's congress and its standing committee. They should adhere to the system of reporting their work to the people's congress at the same level, as well as conscientiously carry out the regulations of the Supreme People's Procuratorate on subjecting procura-

torial organs to the supervision of the people's congress and reporting counter appeals to the people's congress at the same level. They should conscientiously handle matters handed over by the people's congress and the motions of deputies, as well as promptly report the findings to them. In 1995, the provincial procuratorate took the initiative in inviting deputies of Chengxi district in Xining to inspect procuratorial work and conscientiously listened to their opinions and suggestions on procuratorial work. At the same time, it also engaged and continued to engage a number of members of democratic parties and personages without party affiliation as special procurators so as to give play to their role in participating in and discussing government affairs and democratic supervision and make Qinghai's procuratorial work win the effective support of all social sectors.

IV. We Conscientiously Carried out the "Procurator Law" and Intensified Efforts To Build Procuratorial Contingents.

Being the state's legal supervision organs, people's procuratorates should strictly carry out the missions entrusted by the state's laws. This states that procuratorial organs should have a cadre contingent whose ideology can pass the stiffest test, that has a good work style, and is proficient in vocational work. Procuratorial organs at various levels across the province should adhere to the guiding principle of "building procuratorates according to the law and strictly managing them," conscientiously carry out the "procurator law," lay equal stress on vocational work and construction of contingents, and strengthen the building of the ideology and work style of procuratorial contingents so as to improve the overall quality and considerably strengthen the fighting force of contingents.

A. We persisted in attending to ideological and political construction so as to improve the overall quality of contingents. Over the past year, all procuratorial organs persisted in regarding ideological and political construction as the number one task in building procuratorial contingents; conscientiously planned for studying Marxist theories and the "Selected Works of Deng Xiaoping"; armed the mind of the broad masses of cadres and policemen with Deng Xiaoping's theory of building socialism with Chinese characteristics; established the ideology of making procuratorial work serve the general tasks of the entire party, the entire state, and economic construction; and deeply carried out education in professional responsibility, ethics, discipline, and building an honest and diligent government. At the same time, in line with the activities of learning from Kong Fansen and Suonandajie, they gave impetus to making procu-

ratorial cadres respect their work more and improving procuratorial contingents.

B. We strengthened the building of leading bodies and endeavored to enhance the quality of leading cadres. Under the correct leadership of the provincial party committee and party committees at various levels, procuratorial organs across the province consciously strengthened the building of the ideological style of leading bodies. The "suggestions on strengthening the building of leading bodies of procuratorial organs" issued by the Supreme People's Procuratorate made explicit demands on building leading bodies at all levels. Procuratorial organs across the province conscientiously planned studies and discussions, established strict systems, and called on the leading bodies of procuratorial organs to conscientiously adhere to the principle of democratic centralism. Chief procurators at various levels should be politically sensible persons, men of action in their work, and leaders in handling cases. They should set an example in strictly enforcing the law and diligently and honestly performing their duties so as to really make leading bodies the core of united action. At the same time, the main focus should be on selecting and training excellent young and middle-aged cadres with both ability and political integrity and assigning them to leading bodies at all levels so as to improve the knowledge and age structures of leading bodies and strengthen their fighting power.

C. We conscientiously studied and carried out the "procurator law" and managed procuratorial contingents according to the law. After the promulgation of the "procurator law," procuratorial organs at various levels across the province promptly arranged for its study, propaganda, and implementation. In line with the regulation of the "procurator law," they brought the management of public procurators in line with the legal system so as to promote reform of the personnel management system of cadres as well as further establish and perfect the system of being responsible for handling cases, the system of investigating and assigning responsibility to those who misjudge cases, and other management systems. We strengthened the education and training of cadres and policemen; focused on on-the-job training; and successively started before-job training classes for 105 new cadres, educational classes for specialized diplomas with 183 participants, and training classes on examining new procurators with 99 participants. We also organized a unified examination for new procurators, with 95 participants. In line with relevant regulations of the "procurator law," the broad masses of cadres and policemen found where they lagged behind so as to enhance the consciousness of being qualified public procurators.

D. We conscientiously carried out a fight against corruption in procuratorial organs so as to strengthen the building of the style of discipline. In line with the regulations of central authorities, the provincial party committee, and the supreme people's procuratorate on keeping leading cadres honest and self-disciplined, leading cadres at and above the county and section levels in procuratorial organs across the province, and all levels of chief procurators in particular, actively participated in special democratic life meetings and carried out activities to keep cadres honest and self-disciplined and make them check themselves so as to further intensify efforts to keep procuratorial departments clean and honest. Procuratorial organs across the province actively strived to be the first and energetically commended advanced units. In 1995, procuratorial departments across the province commended 62 advanced collectives and 375 advanced individuals, with 32 advanced units and 60 advanced individuals commended by the Supreme People's Procuratorate and party and government leading organs at various levels. They investigated and punished any cadre and policeman who violated law and discipline when the crime was found, and they successively punished six law- and discipline-breaking cadres and policemen according to party and government disciplinary action.

In 1995, procuratorial organs across the province defined the guiding ideology of their work, gave priority to key points, and consciously brought procuratorial work in line with the general tasks of the party and the state so as to make new achievement in procuratorial work. At the same time, we also soberly noticed that many shortcomings and some unavoidable problems still existed in our work, such as: 1. Development regarding investigating and handling major and serious cases was unbalanced. Some places seldom or never investigated or handled major and serious cases, the quality of individual cases was low, and the rate of concluding cases was slow. 2. We failed to grasp and study the new criminal situation under new circumstances, and the level of special work still could not meet the demands of the struggles. 3. Law-enforcement supervision, and particularly the work of handling civil and administrative cases and investigating and handling cases of wrongdoing to serve friends or relatives, was still weak in some respects. 4. The quality of a few cadres and policemen was mediocre, and there were still quite a few problems regarding strict law enforcement, the civilized handling of cases, and the style of discipline enforcement. 5. Funds were insufficient, and technical equipment was backward. This restricted the smooth development of procuratorial work. Therefore, we should conscientiously study and realistically resolve these problems in our work for some time to come.

Fellow deputies, 1996 is the first year for our state to carry out the Ninth Five-Year Plan. In line with the overall demands of the provincial party committee and the Supreme People's Procuratorate for this year's procuratorial work, the provincial procuratorate held the 12th provincial procuratorial work conference in January. This conference conscientiously relayed and implemented the guidelines of the national political and legal work conference and of the national chief procurator work conference, summarized and exchanged the procuratorial work and experiences over the six years since the 11th provincial procuratorial work conference, analyzed and studied the situation of the current provincial procuratorial work and future tasks, and defined the guiding ideology for future work. In Qinghai's procuratorial work, for some time to come we should continue to unswervingly adhere to the party's leadership and carry out its basic lines and guiding principles. We should unswervingly adhere to the guiding ideology of serving the building of the socialist market economic system and economic construction, as well as obey and serve the general tasks of the entire party and the entire state. We should unswervingly persist in "simultaneously attending to two tasks and achieving success in both," persist in integrating special work with mass line, regard safeguarding stability as an important task, and intensify efforts to crack down on various crimes. We should unswervingly adhere to the work principle of "strictly enforcing the law and paying close attention to handling cases" as well as comprehensively exercise the function of legal supervision. We should pay attention to attending to the three key tasks of investigating and handling major and serious cases so as to fight against corruption, dealing stern blows to serious criminal crimes, and strengthening law-enforcement supervision; unswervingly persist in building procuratorates according to the law; strictly manage procuratorates; and further improve procuratorial contingents.

First, we should focus on key points as well as unceasingly deepen the fight against corruption and investigate and handle major and serious cases. We should focus on investigating and handling criminal cases that happen in party and government leading organs, administrative law-enforcement organs, judicial organs, and economic management departments. We should make special efforts to investigate and handle criminal cases involving leading cadres at and above county and section levels, new crimes that endanger the implementation of major reform measures, and criminal cases involving leading cadres of state-owned enterprises and institutions, county organs, and township offices. We should unremittently adhere to the principle of being "resolute, cautious, and precise," strictly handle affairs in line with the law, guarantee the quality of handling

cases, and pay attention to the political and social effect of handling cases. We should promote the preliminary investigation of serious cases, screenings of arrest and prosecution applications concerning offenders involved in major and serious cases, and construction of bureaus for cracking down on corruption and bribery.

Second, we should unremittently carry out the struggle of "dealing stern blows to crime" so as to safeguard Qinghai's political and social stability. We should further study and analyze Qinghai's public security situation and characteristics. We should resolutely crack down on the infiltrative, subversive, and destructive activities of hostile forces at home and abroad; illegal religious activities; activities to split nationalities; counter-revolutionary propaganda activities; and other activities involving serious criminal crimes. We should deal stern blows to crimes seriously endangering public security, such as manufacturing and selling guns or drug-related crimes, as well as actively participate in the rectification struggle focused primarily on improving all facets of public security.

Third, we should add impetus to and improve law-enforcement supervision. In law-enforcement supervision, we should act in close accordance with the two principles of dealing stern and quick blows to criminal crimes and of seriously and severely cracking down on economic crimes; further intensify efforts to handle cases; strengthen the work concerning counter appeals; and continuously do a good job in investigating and punishing judicial personnel who take bribes, bend the law, and do wrong to serve their friends or relatives so as to promote strict law enforcement.

Fourth, we should conscientiously carry out the "procurator law" and further strengthen the construction of contingents. We should regard Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guidance, make ideological and political construction the number one task in building contingents, set strict demands on contingents, strictly manage them, and focus on building leading bodies. We should conscientiously carry out the "procurator law" as well as strengthen the education, training, and management of cadres and policemen. We should deeply work to wipe out corruption among procuratorial organs, as well as enhance the political and vocational quality of and work efficiency of contingents. We should unceasingly rectify the style of discipline and ensure that law enforcement personnel will strictly enforce the law and handle cases according to law and in a civilized way. We should more consciously accept the supervision of the people's congress and the masses, strengthen investigation and study, and accurately and precisely grasp and resolve major prob-

lems arising from our work, so as to promote the healthy development of procuratorial work.

The procuratorial work and tasks in 1996 are arduous. Under the leadership of the provincial party committee and the Supreme People's Procuratorate, and with the effective supervision of the people's congress and its standing committee, we should adhere to the principle of "strictly enforcing the law and paying close attention to handling cases," give full play to the function of legal supervision, and mobilize procuratorial cadres and policemen across the province to work with one heart and mind and progress with keen determination in order to make new contributions to Qinghai's reform, opening up, and economic development.

PRC: Qinghai Court Work Report

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[Report on the work of the Qinghai Provincial Higher People's Court given by Ma Yougong, president of the Qinghai Provincial Higher People's Court, to the fourth session of the eighth Qinghai Provincial People's Congress on 13 April]

[FBIS Translated Text] Fellow deputies:

In 1995, under the leadership and supervision of the party committee and under the supervision of the people's congress, people's courts at all levels closely centered around the general tasks of the whole party and the whole state; comprehensively strengthened the work of courts; faithfully enforced the Constitution and laws; and gave play to their positive role in guaranteeing Qinghai's reform and opening up, promoting economic development, safeguarding social stability, and protecting the legitimate rights and interests of citizens and legal persons. I now submit a report on the work of people's courts in 1995 and on major tasks during the Ninth Five-Year Plan period for your discussion.

I. We gave stern blows to serious criminal crimes in order to safeguard social stability.

Social stability was the premise and guarantee for reform and development. All levels of courts across the province persistently took safeguarding stability as the number one task in administration of justice, continuously carried out the guiding principle of "giving stern blows to crimes," maintained close cooperation with public security and procuratorial organs, and gave stern blows to serious criminal crimes. In 1995, 2,741 criminal cases were accepted and heard through the first trial, and 2,659 cases were concluded. Of the 2,944 convicts whose verdicts went into legal effect, 1,225 convicts who were sentenced to more than five

years of imprisonment, life imprisonment, or capital punishment (including stays of execution) accounted for 41.61 percent, up 3.09 percentage points over 1994; 1,642 convicts were sentenced to below five years' imprisonment, sentenced to criminal detention, put under surveillance, or given other punishment; 56 were exempt from criminal punishment, and 21 were pronounced not guilty. This effectively safeguarded social stability.

We gave stern and quick blows to criminal activities which seriously endangered public security according to law. Focusing on major and appalling cases, the courts across the province judged the hour and sized up the situation, gave prominence to the priorities of cracking down on crimes, intensified efforts to give blows to crimes, and laid focus on giving stern blows to murderers, robbers, rapists, bandits, and in particular, criminal gangs with underground characteristics. They resolutely gave heavy or capital punishment to those who deserved it in line with the law. In 1995, 1,066 serious criminal cases were concluded through the first trial. Of 1,341 convicts whose verdicts went into legal effect, those who were sentenced to more than five years' imprisonment, life imprisonment, or capital punishment (including stay of execution) accounted for 59.36 percent, increasing by 3.19 percentage points over 1994. This effectively punctured criminals' arrogance and displayed the powerful strength of people's democratic dictatorship. At the same time, the punishment to the criminals who disturbed public order in the "7 October" Xining incident according to law safeguarded social stability and achieved good social effect.

In the struggle of "giving stern blows to crimes," various levels of people's courts conscientiously carried out a policy of combining severe punishment with leniency, mitigated a punishment to those who deserved it according to law, so as to split and disintegrate criminals.

In line with the actual conditions of trials, we actively participated in improving all facets of public security. In accordance with the guiding principle of "laying equal stress on preventing and cracking down on crimes, taking radical and stopgap measures simultaneously, and giving priority to getting at the root" as well as in line with the unified plans of the party committee and the actual conditions of trials, various levels of people's courts proceeded from different situations of urban, rural, and pastoral areas, actively participated in improving all facets of public security, and carried out a struggle of giving stern blows to crimes in order to rectify public security at the right moment. Owing to the fact that theft cases constantly accounted for the largest number among various criminal cases,

various levels of people's courts continuously carried out a special struggle of fighting against theft, and concluded 1,024 theft cases through the first trial, accounting for 38.51 percent of the criminal cases which were concluded through the first trial. Focusing on the spread of drug-related crimes, the courts of Xining, Haidong, and other key prefectures conscientiously carried out the "decision of the standing committee of the National People's Congress on suppressing drugs," intensified efforts to crack down on drug-related crimes, severely punished criminals manufacturing, selling, or trafficking drugs, and concluded 75 drug-related crimes involving 130 people through the first trial. Of the 84 convicts whose verdicts went into legal effect, 55 were sentenced to more than five years of imprisonment, life imprisonment, or capital punishment (including stay of execution,) accounting for 65.48 percent. Five criminals who committed very serious crimes involving a large sum of money so as to greatly endanger public security were given capital punishment. People's courts also actively participated in a special struggle of cracking down on crimes endangering public security, corrupting social values, and inducing youngsters to commit crimes, such as firearm-related crimes, illegal publications, and crimes of "manufacturing and selling pornographic products."

While giving stern blows to various criminals, courts at all levels carried out propaganda and education concerning laws through public trial, news release meetings, and other forms in order to instill a sense of fear in criminals, educate the masses, and expand the social effect of handling cases. Focusing on the problems which were discovered in the course of handling cases, we actively made judicial suggestions in order to prevent and reduce crimes. We comprehensively carried out the "law for protecting minors," strengthened the work of juvenile courts, combined education with trial, and integrated punishment with education so as to help and reform juvenile delinquents by education. We gave play to the function of urging criminals to transform themselves as well as went down to prisons and reformatories to handle commutation of penalties, release on probation, and crimes committed in prisons according to law so as to mobilize the enthusiasm of transforming criminals and safeguard the order of prisons and reformatories. We strengthened the work of people's courts and gave vocational guidance to grass-roots mediation organizations, mediated disputes, removed contradictions, and solved problems as they arose in an effort to safeguard social stability.

We severely punished serious economic crimes according to law. In line with the plans and demands of central authorities and the provincial party committee

for deeply conducting anticorruption struggle, people's courts at all levels adhered to the guiding principle of "simultaneously attending to reform and opening up and the work of cracking down on economic crimes" to severely punish a number of economic criminals according to law. A total of 561 economic crimes were accepted and heard through the first trial, and 541 were concluded. Those who were sentenced to more than five years' imprisonment, life imprisonment, and stay of execution accounted for 40.83 percent of the sentenced economic criminals.

In view of the increased cases concerning bribery, corruption, and misappropriation of public funds and the increased amount of public properties appropriated by criminals, various levels of courts intensified efforts to crack down on and try major and serious cases. A total of 200 cases concerning corruption, bribery, and misappropriation of public funds were accepted and heard, accounting for 35.65 percent of various economic crimes. Among them, cases concerning bribery and misappropriation of public funds rose by 46.88 percent over 1994, and major cases involving more than 10,000 yuan each reached 47. Of the 111 offenders who were given criminal punishment, state functionaries accounted for 60.36 percent. Shi Xiaodong, purchasing agent of a nongovernment trade company in Guinan county, took advantage of his duties to embezzle public funds worth more than 260,000 yuan. This case involved a very large amount of money and especially serious offenses. Owing that he took the initiative in confessing his crime and giving up his ill-gotten gains, he was sentenced to capital punishment, and the execution of sentence was suspended for two years. Through trial, we punished corruption and gave impetus to building a clean and honest government.

While severely punishing the criminals engaged in corruption and bribery, courts across the province resolutely cracked down on the criminal activities endangering reform and opening up and sabotaging economic order. They promptly accepted and heard such cases as defrauding people of their money and belongings, forging negotiable securities, evading and refusing to pay taxes, and illegally and excessively felling trees in an effort to safeguard economic order.

In the course of trying economic cases, people's courts overcame the situation of emphasizing personal penalty but neglecting the disposal of properties. Therefore, while giving personal penalty to economic criminals, their part or entire properties were confiscated, or a fine was imposed on them. Only by comprehensively using punishment can we effectively crack down on criminals.

Various levels of courts always adhered to the principle of remaining "resolute, cautious, and precise," had a good grasp of policies and laws; correctly drew a clear line between being guilty and not guilty; paid attention to the political, economic, and social effect of handling cases; and acquitted according to law the people whose cases did not constitute crimes. Therefore, we not only cracked down on economic crimes but also protected reform and opening up so as to safeguard the legitimate rights and interests of citizens and legal persons.

II. We used the function of trying economic cases to regulate economic relations in order to serve the establishment of a socialist market economic system.

Various levels of courts across the province adhered to the guiding ideology of making judicial work serve economic construction, and did a good job in trying economic cases in line with the demands in local economic development and the characteristics of economic structure. A total of 1,703 cases concerning economic disputes were accepted and heard through the first trial, 1,532 were concluded, and the amount of money involved in the cases totaled more than 149.75 million yuan.

We actively tried cases related to the in-depth reform of state-owned enterprises. In 1995, 189 cases on contracting, lease, joint venture, amalgamation, and bankruptcy of enterprises were accepted and heard, and 160 were concluded. Through trying these kinds of cases, a change in the operational mechanism of enterprises was promoted, a modern enterprise system was established, and incurring of losses in state-owned assets was prevented so that the legitimate rights and interests of enterprises and creditors were safeguarded. Concerning the cases involving the enterprises which made serious deficits owing to bad management, failed to clear off mature debts, created serious difficulties to the livelihood of their staff and workers, and applied for bankruptcy, we strictly grasped the conditions of bankruptcy and examined and handled these cases prudently. Besides, we also relied on relevant departments to make good arrangements for staff and workers. This produced a very good social effect.

We conscientiously accepted and heard cases concerning the order of the market economy. We concluded 539 cases on purchase and sales contracts disputes in the circulation field and recovered more than 46.24 million yuan for enterprises. We concluded cases on loan contract disputes and supported banking departments in recovering loans worth more than 38 million yuan. In the course of establishing a socialist market economic system, in view of the increasingly complicated economic relations as well as the increased number and

types of economic disputes, and the increased amount of money involved, courts at various levels adhered to the principle of actively and cautiously handling cases. While cautiously handling cases using judicial means and adopting various forms, they cooperated with relevant enterprises to clear accounts payable and receivable worth more than 35 million yuan so as to invigorate funds and promote the economic development of enterprises. By trying these kind of cases, the market's main sectors and behaviors were standardized, fair competition in the market was protected, market order was safeguarded, and implementation of the state's macroeconomic regulatory and control measures was guaranteed.

We intensified efforts to try cases on economic contracts disputes in rural and pastoral areas. We accepted and heard 42 rural and pastoral contract disputes, up 344.44 percent over 1994, and concluded 42 cases. In trying this kind of case, we safeguarded the household contract responsibility system with remuneration linked to output and a management system in rural areas combining unified management with separate management. We took the initiative in participating in examining rural and pastoral contracts, improved important contract conditions, and safeguarded the legal effect of contracts. We promptly tried contract dispute cases involving farm machinery; farming techniques; and the processing, transport, and sale of products that happened in the course of developing rural and pastoral socialized service systems, as well as ones that happened in the production and management of township enterprises so as to promote the all-round development of rural and pastoral economies.

III. We did a good job in trying civil cases so as to safeguard the legitimate rights and interests of citizens and legal persons.

We accepted and heard 11,812 civil cases through the first trial, accounting for 72.24 percent of various cases at the first trial, and concluded 10,993.

Courts at various levels conscientiously implemented the "marriage law," the "law for protecting women's rights and interests," and other laws; properly handled marriage and family cases; accepted and heard 8,258 cases concerning divorce, custody, support, adoption, and inheritance; concluded 7,840 cases; and realistically safeguarded the legitimate rights and interests of women, children, and the aged. We meticulously tried cases on debts receivable and payable, and reparation for piracy, and concluded 2,628 cases on debts and compensation, thus fully protecting the legitimate rights and interests of creditors and strengthening the legal understanding of the masses. We concluded 221 cases on la-

bor disputes and real estate, readjusted labor relations, realistically guaranteed that laborers can enjoy various rights according to the law, and safeguarded the legitimate rights and interests of those with real estate rights so as to promote the healthy development of labor and real estate markets. We concluded 45 cases concerning copyrights and reputation rights, punished law-breaking behaviors, and protected the civil rights and interests of persons concerned. For cases that involved many aspects, had a great influence, and were likely to cause mass disputes in the areas of grassland, mountains, land, mineral, or water resources, we proceeded from the stability of overall situation, took the initiative in cooperating with party and government departments, and relied on efforts of various social sectors to strengthen mediation, promptly remove contradictions, strengthen internal unity, and eliminate unstable factors so as to safeguard social stability.

IV. We actively and cautiously tried administrative cases so as to safeguard and supervise administrative organs in exercising authority according to the law.

Along with the development of a socialist democracy and legal system, the legal concept of citizens and legal persons as well as the concept of administrative law enforcement of administrative organs were unceasingly strengthened. Despite the poor law-enforcement environment, courts at various levels actively tried administrative cases and endeavored to enhance the level of trying administrative cases. In 1995, fairly great progress was recorded in trying administrative cases, with 94 administrative cases accepted and heard through the first trial, up 34.29 percent over 1994. Among these, administrative cases concerning land rose by 150 percent, and ones concerning public security rose by 29.42 percent. Of the 83 cases concluded, 38.55 percent had the decisions of administrative organs maintained, 30.12 percent had the decisions of administrative organs revoked fully or partially, 18.07 percent were resolved with the plaintiff revoking the action, and 13.26 percent were resolved by other means. This not only protected the legitimate rights and interests of citizens, legal persons, and other organizations, but also safeguarded and supervised administrative organs in exercising their authority according to the law.

V. We improved law-enforcement activities and ensured strict law enforcement so as to enhance the judicial level.

The main way for the people's courts to provide judicial guarantees for reform, development, and stability is to handle cases according to the law. Courts at various levels persisted in regarding the strict handling of

affairs according to the law as the starting and stopping points of administration of justice. By improving law-enforcement activities, they made efforts to ensure the quality, efficiency, and social effect in handling cases.

We deeply reformed the judicial method and upheld and perfected the public trial system. Making public trial a method of trying cases by people's courts was a basic principle defined in the Constitution and laws, the focus of the endeavor of the people's courts to improve law-enforcement activities and adhere to strict law enforcement, and the central link ensuring the quality and effect of handling cases. In recent years, courts across the province overcame difficulties caused by the vast areas under their jurisdiction, an increased number of cases, an insufficient number of courts, a shortage of funds, and inconvenient transportation. They energetically promoted the public trial system and achieved noticeable results. At present, all the criminal and administrative cases at the first trial and cases involving the death penalty at the second trial that should be made public according to law were heard in an open way. Over 80 percent of economic and civil cases at the first trial were heard in public. The proportion of public hearings for cases handled in the second trial and retried cases also increased, and the work of reforming the judicial method was greatly improved.

In 1995, while continuing to energetically promote public trials, courts at various levels focused the reform of judicial method on strengthening the function of court trials, directly opening court sessions, strengthening the responsibility of the persons concerned in providing evidence, and giving full play to the role of the collegiate bench. They emphasized that a thorough investigation of the facts, a clear distinction between right and wrong, clarification of responsibility, and judgment should be realized through the activities of court trials. They conducted investigation, cross-examination, authentication, and debate in public in an effort to further shift the focus of judicial activities to court trials. In order to guarantee serious law enforcement in terms of systems, we established and perfected a system of handling cases centering on a public trial so as to realize the institutionalization and standardization of public trials step by step. Under the situation where the number of cases grows yearly and there are more new and difficult cases, courts at various levels, by reforming the judicial method, comprehensively and precisely carried out the substantive law and the procedural law, enhanced the quality and efficiency of handling cases; maintained a fairly high rate of conclusion of cases; reduced the number of changed judgments at the second trial and the number of applications for retrial; did a better job in accomplishing various judicial tasks; and achieved good political, eco-

conomic, and social results. This was praised by the people and various social sectors; drew the attention of the party committee, the people's congress, and the government; and was affirmed by the Supreme People's Court.

Since there are many nationalities in our province, courts at various levels proceeded from this reality, conscientiously carried out the constitutional principle of using minority nationalities' spoken and written languages in legal proceedings, assigned interpreters to litigants who were not well versed in the commonly used spoken and written languages of a locality, and used common local spoken and written languages to open courts and try cases and formulate and issue legal documents so as to effectively guarantee that people of minority nationalities could exercise their lawsuit rights equally. In line with the characteristics of rural and pastoral areas, grass-roots people's courts adhered to the principle of combining specialized departments' activities with those of the masses to organize mobile courts to handle cases for people all over the province in an effort to mediate their disputes and resolve their contradictions. This made it very convenient for people of various nationalities to take legal proceedings, and it safeguarded national unity.

We persisted in focusing equally on trial and enforcement and made enforcement a success. Focusing on improving the quality of handling cases, courts at various levels adopted effective measures, removed various obstructions, and conscientiously resolved difficulties in enforcement. They enforced the judgments of 2,469 cases according to the law and recouped economic losses worth more than 47 million yuan for creditors. At the same time, courts focused on trust enforcement of judgment or assistance to enforcement asked by the courts in other localities in an effort to prevent and overcome local and departmental protectionism. We persisted in enforcing judgments in a strict and civilized way as well as strictly forbade law-enforcement personnel from using such law-breaking ways as holding hostages to enforce a judgment so as to guard the unity and sanctity of the legal system.

We strengthened judicial supervision and improved the internal supervision mechanism of people's courts. Judicial supervision is an important guarantee for strict law enforcement. Courts at various levels persisted in separating the investigation of registered cases from trials, strengthened and perfected judicial supervision, and conscientiously resolved difficulties in bringing lawsuits and appeals. We accepted and heard lawsuits suited to legal conditions according to the law. In line with the principle of "seeking truth from facts and rectifying whatever is wrong," we conscientiously examined appeals by the person concerned as well as handled mis-

judged cases in line with the judicial supervision procedure. We accepted and heard 307 judicial supervision cases and concluded 262. We accepted and heard 16,402 complaints and appeals filed through letters and visits, and examined and handled 16,390. This guaranteed the lawsuit rights of citizens and safeguarded the seriousness of the law. While perfecting an internal supervision mechanism, we invited members of democratic parties, personages without party affiliation, specialists, and scholars to be special jurors and participate in accepting and hearing major, serious, and difficult cases. We also invited deputies and members of Chinese People's Political Consultative Conference Committee [CPPCC] to inspect and appraise the work of the courts. This played a positive and promoting role in improving the work of courts and supported and safeguarded serious law enforcement.

VI. We energetically strengthened contingents and endeavored to improve the quality of judges.

The "judge law" promulgated for implementation in 1995 was a major reform of the current judge system. It was of great significance in ensuring judges' performance of duties, improving the overall quality of contingents, and managing judges in a scientific and legalized way. Courts at various levels persisted in "paying simultaneous attention to trials and building contingents," studied and carried out the "judge law," and managed courts and police departments strictly so as to enhance the quality of contingents and guarantee the smooth progress of the courts' work.

We strengthened ideological and political work. Courts at various levels always put ideological and political construction first in the construction of contingents; organized cadres and policemen to intensively study Marxist basic theories and Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; educated cadres and policemen to establish correct outlooks on the world, life, and values; mobilized the political enthusiasm of the broad masses of cadres and policemen; strengthened their sense of work responsibility; carried forward the spirit of taking roots in the plateau, making an arduous struggle, and making selfless dedication; and wholeheartedly served people. In 1995, among the courts across the province, nine collectives won second-class merit awards, 15 individuals gained first-class or second-class merit awards, and eight advanced collectives and 70 advanced workers were commended and awarded.

We intensified efforts to build clean and honest courts. People's courts at various levels strictly carried out the "eight prohibitions" formulated by the Supreme People's Court and other regulations concerning honest adminis-

tration; consciously resisted the corrosive influence of such unhealthy trends as money worship, local protectionism, and underhanded connections for the sake of personal gains; adhered to principles; handled cases impartially; and resolutely handled prominent problems within their own place and department. Discipline inspection and supervision departments of courts at various levels persisted in conducting inspections on law and discipline enforcement and seriously investigated and handled law- and discipline-breaking problems. In 1995, eight law- and discipline-breaking cadres and policemen were investigated and punished. Six of the cadres were given punishment according to party and government disciplinary action, one was investigated and was assigned criminal responsibility, and one was given other punishment, thus purifying the contingents of courts.

We intensified efforts to educate and train cadres. The education and training of cadres was a measure with strategic significance for building the contingents of courts. Since the establishment of the part-time court university in 1985, significant achievements were made in educating and training cadres in a multiform, multi-channel, and multi-layered way thanks to the close attention of courts at all levels. Thus, there was a great change in the political and educational quality and the structure of specialties of the judge ranks. Cadres and policemen with a college education or higher in law increased from 60 to 1,369, and the proportion of these cadres and policemen to the total rose to 58.1 percent from 4.5 percent. Among them, cadres of minority nationalities with a college education or higher increased from fewer than 10 10 years ago to 402, accounting for 49.8 percent of cadres of minority nationalities. This created important conditions for fulfilling various trial tasks, and also laid a good foundation for the implementation of the "judge law." In 1995, we promoted another new move. We authorized Qinghai National College to start a "regular college course in law" in order to carry out formal legal education. We also started a class for strengthening the professional knowledge of court presidents in an effort to enhance the law proficiency of leading cadres and ensure that the targets set by training plans could be comprehensively realized. While attending to formal legal education, attention was paid to short-term and on-the-job training, and new presidents and vocational backbones of courts at all levels were trained through rotations, with more than 700 participating. In 1995, training classes for clerks and a "judge law" training class were started, and more than 150 cadres were trained.

In 1995, fairly big achievements were made in various tasks of people's courts, but some problems and inadequacies also existed. They were mainly in the following areas: A. Insufficient effort was made to investigate and study the new situation and problems which existed in the course of establishing a market economic system. B. We did not sufficiently emancipate our minds or service. C. We failed to handle some cases strictly and impartially. D. Courts at higher levels failed to give prompt and energetic judicial supervision and guidance to courts at lower levels. Therefore, we should further enhance the quality of contingents and conscientiously improve them.

VII. The main tasks of people's courts during the Ninth Five-Year Plan period.

The suggestions of the fifth plenary session of the 14th CPC Central Committee and of the fourth plenary session of the eighth provincial party committee on formulating the Ninth Five-Year Plan for economic and social development and the long-term target for the year 2010 have shown a direction for the future work of the people's courts. In line with the guidelines of the 17th National Court Work Conference, the demands on the judicial work of people's courts in 1996 and for a period after are: By further strengthening court reform and construction, we should try to further enhance the quality, efficiency, and social effect of handling cases of people's courts, as well as give full play to their functional role in trials in order to provide effective judicial guarantee for realizing Qinghai's Ninth Five-Year Plan and the long-term target for the year 2010. For this, people's courts should persist in serving reform, development, and stability in their future work. This is the political orientation of judicial work, which we cannot deviate from in the slightest degree under any situation. We should persist in seriously enforcing the law, impartially judge cases, consciously accept the supervision of the people's congress and the masses, endeavor to improve law enforcement, and safeguard the authority and unity and Constitution and laws. This is the basic demand on judicial work and also the key to building legal systems. Upholding public trials and enhancing the judicial level is the priority of judicial activities and the central link of ensuring the quality, efficiency, and the social effect of handling cases. We should persist in independently exercising judicial rights according to law under the party's leadership; place judicial work under the party's leadership; ensure the implementation of the party's line, guiding principles, and policies for the state's laws; and obey and serve the party's central task. Persisting in reforming courts is the only way for adapting judicial work to the needs of the developments

in the situation. Persisting in wholeheartedly serving people and comprehensively enhancing the quality of judge contingents is the organizational guarantee for doing a good job in the judicial work.

At present, the political situation is stable, economic development is good, people of various nationalities are united, and people are living and working in peace and contentment. The overall situation of public security is good, but destabilizing factors still remain. The main tasks for courts across the province for some time to come are:

We should adhere to the struggle of giving stern blows to crimes and spare no effort to safeguard social stability. A. We should give stern blows to the criminal activities endangering the state's safety and public security as well as actively participate in improving all facets of public security. B. We should give stern blows to corruption, bribery, and other criminal activities, punish corruption, and give impetus to building a clean and honest government. C. We should give stern blows to criminal activities endangering reform and opening up and sabotaging economic order so as to safeguard economic order.

We should intensify efforts to try economic cases. We should regulate economic relations according to law and safeguard the order of a socialist market economy in order to promote reform, opening up, and economic development.

We should do a good job in trying civil cases. We should protect the civil rights and interests of citizens and legal persons so as to promote social justice, safety, civilization, and development.

We should give impetus to trying administrative cases. We should protect the legitimate rights and interests of citizens, legal persons, and other organizations according to law so as to safeguard and supervise administrative organs to perform administrative duties according to law.

In order to guarantee that various judicial tasks of people's courts during the Ninth Five-Year Plan period and further through the year 2010 can be accomplished, various levels of courts should comprehensively intensify efforts to reform and build themselves.

We should improve law-enforcement activities and guarantee serious law enforcement. The focus of reforming judicial methods is placed on upholding public trials

and strengthening the function of court trials so as to really make court sessions the central link of judicial activities. We should conscientiously study and carry out the "criminal procedural law," which was amended and approved at the fourth session of the eighth National People's Congress, improve judicial methods in line with laws and regulations, and do a good job in trying criminal cases. We should strengthen and improve law enforcement, add impetus to law enforcement, strictly enforce discipline, and ensure that the judgments and other legal documents which have become effective can be enforced. We should strengthen judicial supervision and guidance and perfect an internal supervision mechanism.

We should strengthen the construction of contingents. We should comprehensively carry out the "judge law" as well as strengthen ideological and political construction and organizational construction. We should intensify efforts to remain clean and honest, perfect various systems, and strengthen mechanisms of incentive and restraint. We should strengthen education and training and strive to make entire judicial personnel reach the professional level of colleges and universities or above, and the judicial personnel with a regular college education should reach the designated percentage. At the same time, we should endeavor to train a number of high-level judicial talents and expert judges as well as train a trans-century contingent of judges with political steadfastness, vocational proficiency, rich experiences, and good work styles.

We should intensify efforts to improve the material equipment of courts. During the Ninth Five-Year Plan period, we should strive to comprehensively accomplish the work of building "two courts," improve transportation, communication, and other law-enforcement conditions considerably, and step-by-step realize the modernization of offices in order to provide material guarantee for administration of justice.

Fellow deputies, the new situation has set new, higher, and stricter demands on the work of people's courts, and judicial tasks have become more arduous. Under the leadership of the party committee, under the supervision of people's congress, and with the support of the government, we are determined to give full play to the functional role of trials in order to make positive contribution to realizing Qinghai's Ninth Five-Year Plan and the long-term target for the year 2010.

PRC: ARATS Responds to SEF Proposal on Cross-Strait Visits

OW0607104996 Beijing XINHUA Hong Kong Service in Chinese 1143 GMT 5 Jul 96

[FBIS Translated Text] Beijing, 5 Jul (XINHUA) — The Association for Relations Across the Taiwan Strait [ARATS] sent a letter to the Strait Exchange Foundation [SEF] today. The text of the letter follows:

We have received your letter dated 3 July. During the Beijing talks between officials of the ARATS and SEF in late January 1994, we proposed exchanges of visits by advisers and directors of the ARATS and supervisors of the SEF. Your letter was a response two and half years later to that proposal.

Due to factors on the Taiwan side, talks between ARATS and SEF had to be canceled and they have not been resumed to date. It is well known that essential exchanges between the two organizations are unable to proceed.

A spokesman for the Taiwan Affairs Office of the CPC Central Committee and that of the State Council pointed out on 22 June that the Taiwan side should take action without further delay. As the first step, Taiwan could hold negotiations with us on officially ending the state of hostility between the two sides of the Strait and other relevant political issues of common interest under the principle of one China. This proposal is of great significance for advancing the development of ongoing cross-strait relations and has been greeted with positive reviews and extensive interest at home and abroad. The ARATS has consistently worked to promote cross-strait exchanges and develop cross-strait relations. We are looking forward to a positive response from the Taiwan side on our above-mentioned proposal, as it is a pressing matter of the moment.

PRC: International Radio Beam Reports on ARATS Letter to Taiwan

OW0707004896 Beijing China Radio International in Mandarin to Hong Kong, Macao, the Zhu Jiang Delta, and Southeast Asia

[From the "News and Report on Current Events" program]

[FBIS Translated Text] According to a report by XINHUA, the Association for Relations Across the Taiwan Strait [ARATS] of China sent a letter to Taiwan's Strait Exchange Foundation [SEF] on 5 July, proposing exchanges of visits by advisers and directors of ARATS and supervisors of the SEF.

It is learned that, due to reasons on the Taiwan side, talks between ARATS and SEF had to be stopped, and

they have not been resumed to date. It has also not been possible to carry out important exchanges between ARATS and SEF.

ARATS has consistently worked to promote cross-strait exchanges and develop cross-strait relations. It has indicated that it is eagerly looking forward to a response from the Taiwan side on the abovementioned proposal at an early date.

PRC: SEF Deputy Secretary General Responds to ARATS Letter

OW0707033996 Taipei Broadcasting Corporation of China News Network in Mandarin 2300 GMT 06 Jul 96

[From the "Hookup" program]

[FBIS Translated Text] In a reply letter, the mainland's Association for Relations Across the Taiwan Strait [ARATS] asked our side to officially terminate the state of hostility between the two sides of the strait under the one-China principle as soon as possible and to negotiate on other political topics.

To this, the Strait Exchange Funds [SEF] said on 6 July that the termination of the state of hostility is a common understanding of both sides of the strait. Regarding political dialogue, the SEF held that, as long as a variety of conditions are appropriate, it could be done. Please listen to a report by Ling Hsiao-wen.

[Begin recording] [Ling] Regarding the SEF's recent letter to mainland's ARATS proposing exchanges of high-level visits by the two organizations, no concrete response was made in the ARATS's reply letter on the afternoon of 5 July. In the letter, our side was also asked to take action as soon as possible to terminate the state of hostility between the two sides of the strait under the principle of one China and to negotiate on political topics of common concern.

To this, Shih Chih-ping, deputy secretary general of the SEF, said on 6 July that the termination of the state of hostility is a common understanding of the two sides. Regarding a political dialogue, as long as the conditions are ripe, it can be done.

[Shih] Under the principle of one China, the two sides sit down to discuss stopping or terminating the state of hostility. As a matter of fact, all are aware that President Li Teng-hui also mentioned the issue of terminating the state of hostility in the so-called sixth point [di liu tiao] [as heard] on 8 October last year. In this respect, I think both sides have the hope, idea, and common understanding. Regarding the so-called political dialogue, and similar ideas, I remember in the

Ku-Wang talks originally planned for last year we also had a similar plan. We recall that there were some topics needed to narrow the gap between the two sides through dialogue. Basically speaking and viewed from our angle, as long as a variety of conditions are appropriate, this can be done.

[Ling] Shih Chih-ping pointed out that the key to a cross-strait dialogue lies in the issue of one China. The Ku-Wang talks, which were originally to be held in July last year, were intended to exchange views on political differences between the two sides. Therefore, he held that the two sides should resume talks as soon as possible and hoped that the Chinese communists could make a concrete response to the proposal on high-level exchanges between ARATS and SEF. Otherwise, continued refusal to budge is not very positive to improving cross-strait relations. [end recording]

PRC: ARATS Tang Shubei Discusses Taiwan Issue in Xinjiang

OW0207092796 Urumqi XINJIANG RIBAO
in Chinese 14 Jun 96 p 1

[By the autonomous regional party committee Taiwan Affairs Office]

[FB S Translated Text] At the invitation of the autonomous regional party committee and people's government, Tang Shubei, member of the Chinese People's Political Consultative Conference National Committee Standing Committee and executive vice chairman of the Association for Relations Across the Taiwan Strait [ARATS], delivered a situation report on the Taiwan issue to several hundred Xinjiang party and government cadres on the afternoon of 13 June.

Tang Shubei briefed them on the basic conditions regarding the development of cross-strait ties since 1979. He said: After our party and government implemented the general and specific policies of peaceful reunification and pursued Comrade Deng Xiaoping's concept of "one country, two systems" to resolve the Taiwan issue since 1979, both sides of the Taiwan Strait have greatly increased exchanges and visits of personnel and cross-strait economic and cultural exchanges. We have preliminarily established a pattern whereby cross-strait economic circles are mutually supportive, complementary, and beneficial to each other. Meanwhile, we have been highly vigilant against activities striving to split the motherland, including "Taiwan independence," Taiwan authorities creating "two Chinas," and foreign anti-China forces interfering in the Taiwan issue and in China's internal affairs; and carried out necessary struggles in this regard.

Tang Shubei analyzed the important significance and profound impact of the struggle against splittism and "Taiwan independence." He said: The struggle basically aims to fully demonstrate the determination and capabilities of the CPC, Chinese Government, and Chinese people to safeguard state sovereignty and territorial integrity. The struggle has severely cracked down on forces that openly promote "Taiwan independence" and on Taiwan authorities' arrogance in creating "two Chinas," and fully demonstrated that any scheme attempting to split Taiwan from the motherland will be futile. The struggle fully reflects the firm leadership of the central leading collective of the third generation with Comrade Jiang Zemin at the core, and shows that people across China resolutely support central policies and embody highly enthusiastic patriotism. Meanwhile, most countries have better understood our basic stance and general and specific policies on resolving the Taiwan issue. The struggle has achieved important results for the current stage, and exerted a profound impact on the development of cross-strait ties and the peaceful reunification process.

Tang Shubei said: To resolve the Taiwan issue and attain complete reunification of China are common wishes and lofty missions for all Chinese people, including Taiwan compatriots. We should continually implement the basic policies of "peaceful reunification and one country, two systems"; continually pursue the guidelines of General Secretary Jiang Zemin's important 30 January 1995 speech and his eight-point proposals regarding the Taiwan issue; and properly carry out Taiwan-related tasks. We should uphold the one-China principle; resolutely oppose any scheme attempting to create "independent Taiwan," "two Chinas," or "one China, one Taiwan"; resolutely reject any force that splits Taiwan from the motherland in any form; and oppose foreign forces interfering in the Taiwan issue and in China's internal affairs. Meanwhile, we should also continually promote visits and exchanges of cross-strait personnel; develop cross-strait economic and cultural ties; strive for cross-strait "direct exchanges of mail, air and shipping services, and trade" at an early date; develop cross-strait ties in an all-round manner; and continually stage hard struggles for a complete reunification of the motherland.

Regional party and government leaders Abdulahat Abdurixit, Zhou Shengtao, and Aisihaiti Kelimubai attended the meeting.

PRC: Hainan Attracting More Taiwan Investment

OW0507023696 Beijing XINHUA in English
0222 GMT 5 Jul 96

[FBIS Transcribed Text] Haikou, July 5 (XINHUA) — In China's biggest special economic zone [SEZ] of

Hainan, an increasing number of business people from Taiwan are shifting their eyes to promising agriculture, industry and tourism.

Just a couple of years ago their sights were fixed firmly on such sectors as real estate, entertainment and catering.

Taiwan-funded enterprises mushroomed after Hainan was approved as a SEZ in 1988. However, a considerable number of them were small enterprises falling only into a limited number of sectors, said Li Yongchun, director of the Taiwan Affairs Office of the province.

Since 1994 Hainan has significantly adjusted its industrial structure, and as a result the common prosperity of agriculture, industry and tourism begin to take the place of booming real estate sectors, which had dominated the industry of the island, especially during the 1991-1993 period.

After the adjustment, competition became fiercer on the island.

Consequently, streams of small investors moved to other parts of the country where competition was less fierce.

Statistics show that Haikou, capital city of the province, registered 581 Taiwan-funded enterprises in the 1988-1995 period, however, only 173 of them have remained to date.

"Most of the enterprises that left during the period did not have big investments, therefore, their departure does not really hurt economic co-operation between Hainan and Taiwan," said Li.

"In addition, the enterprises which stayed are ones that are capable and have ambitions to expand their businesses," noted Li.

Nearly 400 Taiwan-funded enterprises which are currently doing business on the island are mostly engaged in various sectors, ensuring they reap comparatively steady profits.

Another trend is that more Taiwan-funded enterprises are transforming themselves from labor-intensive to technology-intensive, and as a result, attention has focused on the bringing in of state-of-the-art technology and new talents.

According to a senior official with the provincial government, the island province has formally vowed to turn Hainan into a new industrial province, a tourist resort, as well as a tropical agricultural base.

Among the 20 Taiwan-funded enterprises registered during the first quarter of the year, the bulk fell into the categories of industry, agriculture and high-tech enterprises, an indication that investment from Taiwan is on a healthier road.

Taiwan: ARATS Rejects SEF Proposal for Exchange of Visits

OW0607110996 Broadcasting Corporation of China News Network in Mandarin 2300 GMT 5 Jul 96

[From the "Hookup" program]

[FBIS Translated Text] The Strait Exchange Foundation [SEF] sent a letter to the Association for Relations Across the Taiwan Strait [ARATS] the other day proposing the exchange of visits to Taipei or Beijing by directors and supervisors of the two bodies. The ARATS, in its reply to the SEF letter yesterday, indirectly rejected that proposal. Commenting on the matter, SEF and the Mainland Affairs Council noted that the mainland side should refrain from complicating the simple matter of exchange of visits. The main point of the ARATS' reply stresses that Taiwan should respond at an early date to the proposal made by a spokesman for the Taiwan Affairs Office of the CPC Central Committee and that of the State Council on 22 June that Taiwan hold negotiations with the mainland on ending the state of hostility between the two sides of the Strait, and other relevant political issues of common interest. The ARATS considered this a pressing matter of the moment and did not give a specific response to the aforementioned SEF proposal for exchange of visits. Lin Hsiao-wen has filed the following report:

[Begin Lin recording] The SEF sent a letter to the mainland's ARATS on 3 July proposing exchanges of visits by advisers and directors of ARATS and supervisors of SEF to exchange views on promoting the development of cross-strait relations in a sensible approach. The ARATS unexpectedly sent a reply on the morning of 5 July rejecting that proposal. The ARATS' letter pointed out that exchange of visits was first proposed by ARATS during the Ku-Wang talks in January 1994. The SEF letter was only a response to that proposal two and half years later. Meanwhile, ARATS again stressed that it is entirely due to factors on the Taiwan side that the ARATS-SEF talks have been suspended, making it impossible for the two bodies to carry out essential exchanges. Quoting the 22 June statement by a spokesman for the Taiwan Affairs Office of the CPC Central Committee and that of the State Council, ARATS also stressed that the Taiwan side should take action without further delay. As the first step, Taiwan could hold negotiations with the mainland on officially ending the state of hostility between the two sides of the Strait, and other relevant political issues of common interest under the principle of one China.

Commenting on the ARATS' reply, the SEF noted the Chinese communists should separate exchange of visits from other political issues instead of lumping them

together. The Mainland Affairs Council commented that the Chinese communists should not turn simple exchanges of visits into a complicated issue. They also noted the two sides should cherish the progress in cross-strait exchanges and contacts that has been accumulated little by little, and further strengthen them. BCC reporter Lin Hsiao-wen reporting from the Mainland Affairs Council. [end Lin recording]

Taiwan: MAC Official on International Approach to Reunification

OW0707052096 Taipei Broadcasting Corporation of China News Network in Mandarin 2300 GMT 06 Jul 96

[From the "Hookup" program]

[FBIS Translated Text] Some executive members of the Mainland Affairs Council [MAC] pointed out on 6 July that as the Chinese communists have purposely stirred up the dispute on sovereignty and given prominence to structural issues on the two sides of the strait, it may not be easy to break the cross-strait deadlock. Therefore, it is impossible to talk about terminating the state of hostility between the two sides of the strait and exchanging visits by the Association for Relations Across the Taiwan Strait [ARATS] and the Strait Exchange Foundation [SEF] in the near future.

Hsu Hui-yao, vice chairman of the Mainland Affairs Council, pointed out that the two sides of the strait already reached a common understanding of the principle of one China as expounded respectively by each side in the past. Therefore, the principle of one China should not become the prerequisite for improving cross-strait relations.

Besides, Hsu Hui-Yao also pointed out that the two sides of the strait indeed can develop a framework for relations between the two sides through negotiations and that the Taiwan side has a high degree of sincerity and goodwill. However, he emphasized that this does not mean the Taiwan side will accept any unreasonable demand. Please listen to a report by Li Chih-kun.

[Begin recording] [Li] Regarding the principle of one China, which has been put forward over and over again by the Chinese communists recently, SEF spokesman Shih Chih-ping pointed out on 6 July that, during the second Ku-Wang talks, the two sides can once more carry out calm and rational dialogue on this. To this, Hsu Hui-yao, vice chairman of the Mainland Affairs Council, after a public interview by the Broadcasting Corporation of China, said that the best way to develop a framework for relations between the two sides is through negotiations in the international community.

However, although the Taiwan side is very sincere and has goodwill, this does not mean that the Taiwan side will accept any unreasonable demand. Vice Chairman Hsu Hui-yao said:

[Hsu] We, of course, have the greatest goodwill. For our part, we have the goodwill and sincerity to hold negotiations. Besides, we have made very clear on different occasions the two-way basic principles of cross-strait relations and the pursuit of ideals in the future. Thus, the mainland has put this forward again and again. I think this is a conceptual matter. However, we would like to make it clear that, for our part, we have sincerity and goodwill, but this does not mean we will accept any unreasonable demand.

[Li] Vice Chairman Hsu Hui-yao continued by pointing out that the issue of dialogue was put forward in the first Ku-Wang talks and it can be said to be a kind of communication of concepts and exchange of views. Therefore, the SEF spokesman Shih Chih-ping said that, in treating the one China principle, the two sides should regard it as an exchange of views between the two sides and not a topic for discussion. Besides, the SEF, MAC, the Foreign Ministry, and other high-level government organizations have expressed over and over again recently that matters concerning the Chinese should be settled by the Chinese themselves. Does this mean that the Taiwan side has used this as an alternative way to reaffirm the one-China principle? To this, Vice Chairman Hsu Hui-yao did not give a direct reply. He only said that it is indeed necessary for the two sides of the strait to solve their problems in the international multilateral structure.

Taiwan: ARATS Director Attends Cross-Strait Lawyer Exchange Forum

OW0607044696 Taipei CHUNG-KUO SHIH-PAO
in Chinese 15 Jun 96 p 4

[FBIS Translated Text] Yesterday, Kuo Ping-tan [Guo Pingtan], director of the Association for Relations Across the Taiwan Strait [ARATS], pointed out in Taipei: In addition to Taiwan's small and medium-sized enterprises, large Taiwanese enterprises and conglomerates have gradually entered the mainland, judging from the scale and pattern of Taiwan investment in the mainland. It is necessary for various units to make joint efforts to legalize economic and trade relations between the two sides across the strait because a perfect and sound legal system can protect interests of Taiwan and mainland investors directly and is a precondition for promoting common economic prosperity on the two sides.

Kuo Ping-tan, who was vice president of the mainland's "All-China Federation of Taiwan Compatriots" [ACFTC], now serves as vice chairman of the Taiwan, Hong Kong, Macao Compatriots and Overseas Chinese Committee under the Chinese People's Political Consultative Conference National Committee. Born in Taiwan's Tainan, Kuo Ping-tan has played an important role in the peripheral organizations of the Chinese Communists' departments in charge of united front work toward Taiwan and has an extensive relationship with Taiwan's ruling and opposition parties as well as lawmakers from the ruling and opposition parties. In his capacity as ACFTC adviser, Kuo is in Taiwan to attend a seminar on lawyers' practice and exchange across the strait.

In an interview with reporters on 14 June, Kuo Ping-tan emphasized: Relevant departments in the mainland have strived to protect Taiwan investors; however, there are still imperfections in our protective measures. After the Regulations for the Implementation of the Law on the Protection of Investments of Taiwan Compatriots in the PRC is promulgated, we will have rather comprehensive measures to protect Taiwan investors' rights and interests. This will be conducive to boosting Taiwan compatriots' confidence in investing in the mainland.

Kuo Ping-tan said although the number of investment projects carried out by Taiwan investors has decreased, the investment value has increased, adding that foreign investors all expect good business opportunities in the mainland especially when the Ninth Five-Year Plan is being implemented there and that large enterprises from various parts of the world all rush to the mainland to make investment. Therefore, he believes that Taiwan's conglomerates and large enterprises will not give up investment opportunities in the mainland.

At the meeting, Kuo Ping-tan delivered a speech, entitled "Prevention and Solution of Taiwan Investors' Contract Disputes in the Mainland." In the speech, Kuo Ping-tan pointed out that the scale of Taiwan investment has been expanding year after year. Therefore, it is urgent and important for the mainland to perfect relevant laws and regulations to clearly regulate Taiwan enterprises' activities in investment, trade, and technology in the mainland.

Kuo Ping-tan added: According to the Law on the Protection of Investments of Taiwan Compatriots in the PRC and other relevant regulations, the two parties of a joint venture can resolve their investment disputes through negotiation or mediation. If the parties concerned refuse to mediate or negotiate, or when mediation or negotiation is not successful, they can submit their cases to arbitration organizations according to the

arbitration clause stated in their contract. The written arbitration agreements reached afterwards.

Taiwan: Beijing Urged To Revive 'Regular Talks' With Taipei

OW0707085596 (Internet) Taiwan Central News Agency WWW in English 0823 GMT 7 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 6 (CNA) — Mainland Affairs Council Vice Chairman Shi Hui-yao said Saturday that Beijing should not set its "one China" principle as a precondition for the resumption of cross-strait talks, as Beijing's formula is unacceptable to Taiwan.

Shi made the remarks while answering questions from the press after taking part in a call-in program of the Broadcasting Corporation of China.

Shi said Taiwan has the sincerity and goodwill to hold negotiations with Mainland China. But Beijing's "one China" claim, which sees Taiwan as a province of Mainland China, seriously violates the interests and well-being of the people of Taiwan, he noted.

The ROC [Republic of China] government insists on its basic stance regarding the China issue and stands firm in its goal of unification, which should be achieved by following the clearly defined steps of the Guidelines for National Unification, Shi said. In the current stage, Taiwan and Mainland China should first resume regular negotiations on issues of mutual concern under the principle of mutual respect, he noted.

Regular cross-strait technical talks were unilaterally suspended by Beijing last year after President Li Teng-hui paid a private visit to the United States. Beijing viewed the trip as a covert attempt to promote Taiwan independence.

Meanwhile, Shih Chi-ping, a vice secretary-general of Taiwan's Straits Exchange Foundation, the quasi-official body in charge of civilian exchanges with Mainland China, called on the mainland Chinese side to revive regular talks with Taiwan.

He stressed that now is an appropriate time to reopen cross-strait talks, which would be conducive to developing relations and pave the way for political dialogue between the two sides.

Taiwan: KMT Official: Beijing May Harden Position in Talks

OW0707090196 (Internet) Taiwan Central News Agency WWW in English 0823 GMT 7 Jul 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 7 (CNA) — Beijing, encouraged by rising Chinese nationalism, may get tough in dealing with Taipei after Hong Kong reverts to China's rule in 1997, a high-ranking Kuomintang [KMT] official forecast over the weekend.

Huang Yao-yu, director-general of the Kuomintang Department of Mainland Operations, told CNA that the Chinese people have felt humiliated by the invasions of western countries and Japan over the past 100 years.

If Beijing successfully takes over Hong Kong, the main symbol of national shame, as scheduled next July 1, it would certainly help heal the historic trauma, Huang said. "By then, the entire mainland will be intoxicated with pride," Huang said.

He said that even if the mainland people continue to find fault with the communist government at that time, their new sense of pride could overcome their dissatisfaction with the communist regime. "That would help consolidate Chinese communist rule on the mainland," Huang said.

Integration with Hong Kong is expected to inject new life into the mainland economy and could encourage Beijing to take a tougher stance with Taiwan, Huang said.

He made the remarks when asked what possible impacts the handover of Hong Kong to China may bring to bilateral ties between Taiwan and the mainland.

Beijing has guaranteed that Hong Kong's present way of life will remain intact for the next 50 years under its "one country, two systems" formula. On the same offer to Taiwan, however, Taipei has categorically denied that it will accept such a system.

The ROC [Republic of China] has demanded that China be reunited under the principles of freedom, democracy, and equitable distribution of wealth.

Taiwan: Moves Conducive To Breaking Cross-Strait Impasse Welcomed

OW0707111496 (Internet) Taiwan Central News Agency WWW in English 0951 GMT 7 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 7 (CNA) — Foreign Minister Chang Hsiao-yen said Sunday he is

not in a position to comment on whether US National Security Adviser Anthony Lake's current Mainland China visit can bring about a breakthrough in stalled relations across the Taiwan Strait.

Nevertheless, Chang said the ROC [Republic of China] government welcomes any moves that can help push the two sides of the Taiwan Strait to settle their disputes through peaceful means and pave the way for eventual national unification under freedom and democracy.

Chang said in a call-in TV news program that the government is keeping a watchful eye on Lake's mainland visit and has expressed the ROC's concern to US authorities through proper channels. "Any US-mainland agreements should not impair our national interests."

Chang said the United States is expected to brief the ROC on major contents of Lake's talks with mainland leaders following his visit.

Chang pointed out that Lake's mainland trip is mainly aimed at improving battered Washington-Beijing relations and enhancing mutual trust.

As to the visit's possible effects on Taiwan-mainland relations, Chang said the ROC government's basic stance is that cross-strait issues should be resolved by the Chinese themselves.

Noting that Taiwan's foreign policy goal is to promote China's reunification, Chang said the ROC has not asked any foreign country to intervene in cross-strait issues.

Chang also said the ROC has not asked Lake to convey any message to Beijing or to act as a go-between.

However, Chang added, the ROC still welcomes any well-intentioned foreign actions that can help break the current cross-strait impasse or lead to peaceful resolution of cross-strait disputes.

On the ROC's bid to re-join the United Nations, Chang said this is the government's long-term goal.

"As a sovereign state, the ROC can never forsake this goal simply because of Beijing's opposition," Chang said, adding that the government will continue to promote its UN bid in a pragmatic manner.

Chang explained that UN membership is not the most urgent priority for the moment, but rather a long-term goal. To reach the goal, he said, the ROC must continue working to forge formal diplomatic ties with as many countries as possible. At present, the ROC only has 31 diplomatic allies. "Things will take care of themselves when we have forged diplomatic relations with more than half of the UN members," he noted.

On President Li Teng-hui's overseas travel plans, Chang said the Ministry of Foreign Affairs has not received

any instructions to prepare for overseas trips by Li in the near future.

To his knowledge, Chang said, President Li has no plans to go abroad this year. However, he stressed that as long as circumstances permit, Li will visit friendly foreign countries in the future to boost bilateral interests.

President Li made a landmark visit to the United States in June 1995, which sent cross-strait relations to a low ebb because Beijing viewed the trip as a move to promote Taiwan independence.

To maintain the ROC's national dignity and interests, Chang said, President Li is unlikely to turn down foreign invitations under pressure from Beijing in the future.

Asked whether he is likely to visit Mainland China in his capacity as the ROC foreign minister, Chang said he doesn't think such a visit can become a reality in the short term because Beijing is still reluctant to recognize Taiwan as an equal political entity.

Chang, a natural son of the late President Chiang Ching-kuo, visited Beijing in a private capacity in December 1994 after his twin brother Winston Chang suffered a stroke there. Winston died earlier this year.

Taiwan: Beijing Urged To Cherish Cross-Strait Exchanges

OW0607100696 (Internet) Taiwan Central News Agency WWW in English 0924 GMT 6 Jul 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 6 (CNA) — The government appealed to mainland on Saturday to cherish the results of high-level talks between the two sides of the Taiwan Strait and to resume a cross-strait dialogue.

The government made the appeal after Mainland China rejected a high-level exchange proposed Wednesday by the Straits Exchange Foundation (SEF), an intermediary body between the two sides of the Taiwan Strait.

The Association for Relations Across the Taiwan Strait (ARATS), the SEF's mainland counterpart, turned down the proposal, insisting instead that Taipei give concrete response to Beijing's call for talks on reunification under the premise of one China.

ARATS reiterated that "as a first step, negotiations should be held, and an agreement reached, on officially ending the state of hostility between the two sides of the Straits, under the principle of one China."

But Shih Chi-ping, SEF deputy Secretary-General, said that the resumption of high-level talks will be crucial

to political dialogues, including the discussion on "one China."

Shih expressed the hope that both sides would cherish the results of the past talks and continue to engage in high-level political dialogues in a rational manner.

Shih reiterated that the resumption of SEF-ARATS talks will be an appropriate first step toward political communication.

The talks were disrupted after President Li Teng-hui made a landmark trip to the United States in June 1995. Beijing was enraged by the trip, accusing Li of covertly pushing for Taiwan independence.

The SEF suggested this week that the two intermediary bodies exchange visits of their directors and supervisors to break the deadlock. But the suggestion was spurned by ARATS.

Taiwan: PRC ARATS Proposes Cross-Strait Political Talks

OW0807054596 (Internet) Taiwan Central News Agency WWW in English 1359 GMT 5 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 5 (CNA) — Mainland China's Association for Relations Across the Taiwan Strait (ARATS) Friday called for the two sides of the Taiwan Strait to hold political dialogue "without further delay" under the "one China" principle.

ARATS, in a letter to the Taipei-based Straits Exchange Foundation (SEF), repeated the call by the Taiwan Affairs Offices of the Chinese Communist Party and the State Council late last month for the two sides to hold talks to formally end hostilities.

ARATS was responding to a letter sent by the SEF Wednesday, in which Taiwan's quasi-official organization in charge of civilian exchanges with Mainland China proposed the exchange of visits by directors and supervisors of the two intermediary bodies to break the current cross-strait impasse.

Without responding to the proposed exchange of ranking officials, ARATS said in its letter that the two sides should hold political negotiations.

Meanwhile, Mainland Affairs Council Vice Chairman Kao Koong-lian said the exchange of visits between SEF and ARATS officials is a simple activity aimed at boosting bilateral communication and understanding. He asked the mainland Chinese side not to speculate on the purpose of the proposal, saying that the two sides should further strengthen exchanges based on the existing foundation.

Taiwan: Premier Lien Chan Said Watching Lake's Visit to PRC

OW0807101696 (Internet) Taiwan Central News Agency WWW in English 0944 GMT 8 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 8 (CNA) — U.S. National Security Adviser Anthony Lake's upcoming visit with Wang Daohan, chairman of Mainland China's Association for Relations Across the Taiwan Strait (ARATS), has aroused concerns by relevant government authorities.

As Beijing has repeatedly said that it strongly opposes to foreign intervention in cross-strait affairs, the Mainland Affairs Council (MAC), Taiwan's top agency in charge of mainland policy, said Lake's meeting with Wang deserves further observation.

Premier Lien Chan Sunday exchanged opinions with Jason Hu, the Republic of China [ROC]'s representative to the United States, on Lake's mainland tour. Lien asked Hu, who returned to Taipei last week, to keep a close watch on the development of the matter.

The Straits Exchange Foundation, ARATS' Taiwan counterpart which handles exchanges with Mainland China, said it will try to gain a comprehensive understanding of Lake's meeting with Wang on Wednesday through appropriate channels in order to know whether their meeting is harmful to Taiwan's interest and Beijing's latest stance toward Taiwan.

The MAC and SEF analyzed that Beijing's agreement to the meeting is part of its strategies to underline Wang's importance as a leading figure in Mainland China's dealings with Taiwan.

In addition to Lake, former U.S. President George Bush and Senator Craig Thomas, chairman of the Asia-Pacific subcommittee of the Senate's Foreign Affairs Committee, also met with Wang during their mainland visit this year.

Before Lake's departure for Mainland China Saturday, the White House had openly said it hopes that Lake's six-day visit would help both sides on the Taiwan Strait resume regular talks.

Following Washington's statement, the MAC said it welcomes any move conducive to cross-strait relations, but stressed that disputes between the two sides must be resolved by Chinese people.

SEF-ARATS technical talks were unilaterally suspended by Beijing last year after President Li Teng-hui paid a private visit to the U.S. in June 1995. Beijing's

views Li's U.S. trip as a move to seek Taiwan independence.

Taiwan: Foreign Minister Reiterates 'Concern' Over Lake's Visit

OW0607033096 Taipei Broadcasting Corporation of China News Network in Mandarin
2300 GMT 05 Jul 96

[From the "Hookup" program]

[FBIS Translated Text] Anthony Lake, national security adviser to the U.S. White House, is on his way to Beijing at present and will arrive in Beijing this evening for a visit to communist China. The main purpose of the current visit is to discuss matters related to high-level mutual visits between the United States and communist China and may also include matters related to cross-strait dialogue. In regard to this, on 5 July Foreign Minister Chang Hsiao-yen once again said that the government has, through appropriate channels, expressed to the United States its concern over Lake's visit to the mainland.

Chang Hsiao-yen said that the position of the Republic of China [ROC] is very clear. All matters related to China should be settled by the Chinese on the two sides of the strait themselves. However, any move that is conducive to realizing the goal of cross-strait peaceful unification is, of course, also welcomed by the government.

Chang Hsiao-yen also said that the government is very concerned about Lake's visit, and has, through appropriate channels, expressed their concern to the U.S. side and has fully expounded the position of the ROC side.

Chang Hsiao-yen said that, if Lake discusses matters concerning the two sides of the strait during his visit to the mainland, the position of the Republic of China is very clear — which is to say, as mentioned above, all matters related to China should be settled by the Chinese themselves.

Chang Hsiao-yen also said that government policy is that China must be unified and that peaceful means should be used to attain this goal. The government welcomes any move that is conducive to attaining this goal.

Taiwan: MAC Head Comments on Cross-Strait Ties
OW0807105196 (Internet) Taiwan Central News Agency WWW in English 0944 GMT 8 Jul 96

[By Philip Liu and Lilian Wu]

[FBIS Transcribed Text] Los Angeles, July 8 (CNA) — A Republic of China [ROC] official in charge of the Mainland China policy Sunday urged Chinese American scholars to support the government's mainland policy.

Chang King-yuh, chairman of the cabinet-level Mainland Affairs Council (MAC), made the remarks when he spoke on the government's mainland policy and cross-strait relations in a conference of Chinese American scholars here.

Chang said that there is substantial progress in cross-strait relations after the government lifted the ban on travel to mainland China eight years ago. He urged Beijing to cherish the result, and work toward a win-win situation for both sides.

But he also noted that the relations turned soured in the second half of last year, saying that the latest wave of war games launched by Beijing early this year to intimidate Taiwan people prior to the presidential election in Taiwan has harmed the peace in the Taiwan Strait and the feeling of Taiwan people.

Chang said that Beijing's provocative actions came in response to the pragmatic diplomacy of Taiwan, saying that Beijing worries that Taiwan's efforts to raise its international profile aim at promoting Taiwan independence.

But Chang said that the pursuit of national unification is an established policy and that the push for pragmatic diplomacy is crucial to the continued development of Taiwan.

He said that both sides of the Taiwan Strait shared a common wish of national unification, but the ROC believed that it is essential that Beijing faces the reality that the two sides of the Taiwan Strait are ruled by two separate governments and restarts talks to narrow gap on the principle of mutual respects.

He reiterated that whether the cross-strait relations can be improved hinge on the principle of mutual respect and equality.

He stressed that the ROC has shown sincerity and goodwill and has repeatedly urged the resumption of high-level talks between the two sides, but so far has received no substantial response from the mainland Chinese side.

He urged the scholars to rally behind the government to support its mainland policy, saying that the dealing with cross-strait relations requires patience and tolerance.

Taiwan: Li Teng-hui Repeats Willingness To Visit PRC

OW0807100296 (Internet) Taiwan Central News
Agency WWW in English 0945 GMT 8 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 8 (CNA) — President Li Teng-hui Monday repeated his willingness to pay a peace of journey [as received] to Mainland China.

Li pointed out that Beijing leaders are also welcome to visit Taiwan and that the two sides can hold talks on ending hostilities and on issues of mutual concern.

Li made the remarks while meeting with U.S. Senator Rod Grams, who is visiting Taiwan at the invitation of the Chinese National Association of Industry and Commerce.

Stressing that there is no problems of cultural or ethnic identification between the two sides of the Taiwan Strait, Li told Grams that the problems lie in different systems and life styles.

To achieve the goal of China unification, Li that Taiwan and the mainland should work together to patch up their differences through communication and negotiations with sincerity and patience.

During the meeting, the two also exchanged opinions on a wide range of issues, including ROC [Republic of China]-US relations, cross-strait ties and the current situation in Asia.

Also present were National Security Council Secretary-General Ding Mao-shih, ROC Representative to the US Jason Hu and Vice Foreign Affairs Minister Chen Chien-jen.

Taiwan: Finance Ministry Explains June's Foreign Trade Figures

OW0807082296 (Internet) Taiwan Central News
Agency WWW in English 0755 GMT 8 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 8 (CNA) — Taiwan's foreign trade regained momentum in June following a rare dip in May, giving a badly needed shot in the arms to the island's anemic economy, the Ministry of Finance said Monday.

According to customs statistics, Taiwan exported U.S.\$9.7 billion worth of goods in June, up 12.7

percent from the year-earlier month, while imports inched up 1.7 percent to U.S.\$9.29 billion.

As a result, Taiwan posted a trade surplus of U.S.\$410 million in June, compared to a U.S.\$530 million deficit recorded in the same month of 1995.

"The most encouraging is that June's export growth rate was the highest since February," said Chang Yao-chung, director of the ministry's Statistics Department.

Chang attributed the export growth in part to a 6.6 percent decline in the New Taiwan dollar's exchange rate against the U.S. greenback in May, which made Taiwan products cheaper and more competitive in the world market.

Chang cautioned that June's import growth was not fueled by increased domestic demand, but rather by U.S.\$1 billion worth of arms imports. If weaponry imports were excluded, total monthly imports dropped 10 percent from June 1995.

Chang said he is worried that continued sluggish domestic demand may hinder overall economic growth.

Accumulated exports amounted to U.S.\$56.58 billion in the first half of this year, up 6.4 percent from the year-earlier level, while aggregate imports slid 1 percent to U.S.\$50.86 billion.

With exports outgrowing imports, Taiwan's foreign trade surplus posted a whopping 218.3 percent growth during the six-month period to U.S.\$5.72 billion.

Judging from the trend, Chang said, Taiwan should be able to achieve its target of reaping U.S.\$9 billion in trade surplus this year.

Meanwhile, Chang pointed out that strained relations across the Taiwan Strait has taken its tolls on Taiwan's trade with Hong Kong, a major conduit for indirect Taiwan-Mainland China trade.

Accumulated Taiwan exports to Hong Kong registered a 1.5 percent annualized drop in the first half of this year, while imports fell 5.2 percent. Cumulative Taiwan trade surplus with the British colony also fell 1.3 percent to U.S.\$11.79 billion.

Shipments to the US edged up 1.6 percent, but imports dip 3.4 percent during the same six-month period. Taiwan's trade surplus with the US climbed 27.9 percent to U.S.\$2.55 billion for the January- June period.

Aggregate sales to both Japan and Europe surged more than 10 percent in the first half of the year. As a result, Taiwan's trade deficit with Japan and Europe shrank by 23.1 percent and 13.8 percent respectively to U.S.\$6.84 billion and U.S.\$1.64 billion.

Electronics and information products remained Taiwan's top export items, registered a 12.1 percent rise in the January-June period. Sales to the US, Japan, Singapore and the Netherlands increased most significantly.

In June alone, Taiwan exports to the United States, Japan, Hong Kong and Europe all increased, and its imports from Europe and Southeast Asia also rose, but imports from Japan decreased.

Shipments to the US posted an 11.3 percent annualized gain in June, higher than a 5.4 percent rise in sales to Hong Kong.

Taiwan registered a trade surplus of U.S.\$2.07 billion with Hong Kong in June, up 6.7 percent from the same month of 1995. This was the first growth in trade surplus with the British colony since February.

Exports to Japan climbed 35.5 percent in June, while imports dip 12.9 percent. As a result, Taiwan's trade deficit with Japan shrank an impressive 42.3 percent to U.S.\$980 million.

Taiwan: Foreign Minister Meets Japanese Representative in Taipei

OW0607100396 (Internet) Taiwan Central News Agency WWW in English 0924 GMT 6 Jul 96

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, June 6 (CNA) — Toshio Goto, director-general of the Interchange Association's Taipei Office, paid a courtesy call on Foreign Minister Chang Hsiao-yen on Saturday.

This was Goto's first meeting with Chang since the latter took office on June 10.

The two talked for about 50 minutes on wide-ranging issues between Taipei and Tokyo, including the compensation for former Taiwanese draftees and "comfort women".

Taiwan: Senior KMT Official Urges Japan To Forge Closer Ties

OW0507150096 (Internet) Taiwan Central News Agency WWW in English 1438 GMT 5 Jul 96

[By Yen Lin-ju and Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 5 (CNA) — Japan should take steps to pave the way for a visit by ROC [Republic of China] President Li Teng-hui, which is the desire of a great majority of Japanese people, a high-ranking Kuomintang (KMT) official said Friday.

"Li's visit would contribute to the stability and peace of Asia," said KMT Secretary-General Hsu Shui-te.

Hsu told a seminar on Japan's political and economic developments and its ties with Taiwan that the Japanese Government should respond to the wishes of its people, referring to a survey by Japan's Fuji Television on May 23.

The survey showed that 74.6 percent of the Japanese polled welcome a visit by Li, 11.5 percent oppose the idea, and the remaining 13.9 percent were noncommittal.

Hsu, former ROC representative to Japan, said he hopes that Taiwan and Japan will facilitate youth exchanges, and that the Japanese Government can better understand and take care of Taiwanese students staying in Japan.

Hsu said that in deference to Beijing, never before has any official from Japan's Ministry of Education visited Taiwan.

"Due to this lack of concern, a number of Taiwanese students have turned to the United States and Europe for advanced study programs," Hsu said.

Hsu also said a legal framework should be put in place to regulate exchanges between Taipei and Tokyo. He advised Japan to follow in the footsteps of the United States in enacting a "Taiwan Relations Act."

Tokyo switched diplomatic recognition from Taipei to Beijing in 1972, and under Beijing's pressure, Japan has virtually barred any official contact with Taiwan.

Last but not least, Hsu said, Japan should back Taipei's bid to join the United Nations. Hsu said that with its more than US\$80 billion in foreign exchange reserves, Taiwan should shoulder a greater international responsibility.

Taiwan: President Li Inspects Quemoy, Remarks on Cross-Strait Ties

OW0607035996 Taipei CHUNG-KUO SHIH-PAO in Chinese 16 Jun 96 p 1

[FBIS Translated Text] Speaking to senior military and government officials during an inspection tour of Quemoy on 15 June, President Li Teng-hui said he has paid close attention to the development of relations between the ruling and opposition parties, adding that, judging from the current domestic political climate, it is necessary to speed up establishing the responsible political system and a framework under which the ruling and opposition parties can negotiate. On the cross-strait situation, President Li emphasized that their should be breakthroughs in exchanging visits between leaders of both sides, ending the state of hostility across the strait, and signing a peace agreement, in order to develop stable, benign bilateral relations.

Li Teng-hui said: This is an era of international competition. Externally, we should further improve our overall national strength; and, internally, we should build an efficient government. In the future, the government will continue to carry out various reform projects. To win this "war of competitiveness," we earnestly need our fellow countrymen to cooperate with all their strength, to act in unison, and to concentrate their energy. For a brighter future, we are not allowed to lose, but must win the battle.

Li Teng-hui pointed out that popular elections of the president and vice president does not mean that we have completed the reform and promotion of democracy. We can simply say we have accomplished a set target at the present stage. Therefore, we should never become complacent and should continue to make efforts to draw up a grand plan for the future development of democracy. Li added that practicing "popular sovereignty" and fostering an awareness of uniting us all into a closely bound and interdependent community are the goals that our fellow countrymen should strive for. Under the current treacherous cross-strait situation, only by maintaining a strong military force and defense capability, can we resist and deter the enemy's provocation. Therefore, we should strengthen our awareness of the enemy's presence and consolidate the work related to military buildup and combat preparedness.

Li Teng-hui particularly mentioned that some of our fellow countrymen have a "romantic" expectation of the Chinese Communists due to insufficient awareness of the enemy's presence. Li added that this is a serious mistake.

Referring to the future development of cross-strait relations, Li Teng-hui said we should make breakthroughs in exchanging visits between leaders of both sides, ending the state of hostility across the strait, and signing a peace agreement, so as to develop stable, benign bilateral relations. Regarding the multiparty political system, Li said we should establish a responsible political system and set up a framework under which the ruling and opposition parties can negotiate. The ruling and opposition parties should form a consensus through negotiations on any topics that are conducive to national security and people's welfare.

Li Teng-hui also emphasized that the government has launched a series of reform projects in the past years, including reform of constitutional operations, removal of gangsters' and business conglomerates' involvement in politics, educational reform, and judicial reform. Although we have scored some results, there is still a gap between the public's expectation and the reality. In the face of these challenges and tests, we need a stable,

safe environment and an efficient government to lead us.

Taiwan: 'High-Powered' Mainland Trade Delegation To Visit 8 Jul

OW0707112196 (Internet) Taiwan Central News Agency WWW in English 1006 GMT 7 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 7 (CNA) -- A high-powered mainland Chinese trade delegation, headed by Chen Zidong, director of the Taiwan Affairs Office of the Fujian provincial government, is scheduled to arrive in Taipei Monday for a 10-day trade promotion visit.

Chen will be the highest mainland trade official to visit Taiwan since the ROC [Republic of China] eased restrictions on visits by mainland trade administrators and promoters in April 1995.

Chen is visiting here in his capacity as president of the Association for Fujian-Taiwan Exchanges. Other mainland delegates include Li Chaoyang, deputy director of the Fujian provincial government's external trade department, and several heavyweight business executives in Fujian, which faces Taiwan.

Chen and his mission were originally scheduled to visit Taiwan in April. However, Beijing withheld its approval of the visit until recently because it would not see the mission come to Taiwan before the inauguration of President Li Teng-hui as the ROC's first democratically elected president on May 20.

Chen is invited by the Taipei-based Chinese National Federation of Industries.

A federation spokesman said Fujian owes much of its current economic boom to Taiwan investment. Taiwan entrepreneurs, however, have slowed their investment in Mainland China since cross-strait relations took a downturn last summer. With cross-strait tensions subsiding in recent months, the spokesman said, Fujian is now anxious to lure more Taiwan investors and boost bilateral trade.

While here, Chen and his delegation will meet with Taiwan industry and commerce leaders to discuss possible trade deals and joint-venture projects. They will also visit major industrial centers, including the Hsinchu Science-based Industrial Park, and the two major sea ports -- Kaohsiung and Taichung -- which have been designated as ports for direct transshipping services between Taiwan and the mainland.

Taiwan: Li Teng-hui: KMT Not To Push Constitutional Amendments Yet

OW0307152496 (Internet) Taiwan Central News Agency WWW in English 1439 GMT 3 Jul 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 3 (CNA) — President Li Teng-hui, noting that the party where he serves as chairman does not command a three-fourths majority in the National Assembly, said Wednesday that the time is not yet ripe to push further amendments to the Constitution.

"First, a constitutional reform group should be formed to collect different opinions and suggestions from all walks of life.... The revision of the Constitution should not be launched before a consensus is arrived at," Li said at a gathering of KMT National Assembly deputies.

"(The KMT) should seek cooperation with other political parties," Li suggested.

He also appealed for support for Chien Fu and Hsieh Lung-sheng, the Kuomintang nominees running for speaker and deputy speaker of the National Assembly.

During the 40- to 60-day meeting beginning on Thursday [4 July], the NA will also exercise its right of consent to a group of officials nominated by Li, including the president, vice president and 19 members of the Examination Yuan, as well as the president and two members of the Control Yuan, Taiwan's highest ombudsman body.

The agenda of the NA meetings will not be decided until Thursday.

The ruling KMT, which held a sweeping majority in the previous National Assembly, now has only 183 seats in the 334-seat body. The pro-independence Democratic Progressive Party controls 100 seats, the New Party 46, and the Green Party one. Non-partisans hold four seats.

Taiwan: Economics Minister Leaves For Manila Economic Conference

OW0807091196 (Internet) Taiwan Central News Agency WWW in English 0755 GMT 8 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 8 (CNA) — Economic Affairs Minister Wang Chih-kang left for Manila Monday to attend the fifth ministerial-level ROC [Republic of China]-Philippines economic cooperation conference slated for July 9-10.

Wang said prior to his departure that the main purpose of his Philippines visit is to promote trade and economic relations between the two countries.

Wang is expected to meet with Philippine President Fidel Ramos during his stay in Manila. The economist-turned-minister declined comments on media speculation that he might convey special messages to Ramos about the possibility of President Li Teng-hui attending this year's informal leadership meeting of the Asia Pacific Economic Cooperation (APEC) forum to be held at the Subic Bay in November.

"If I get a chance to meet with top Philippine leaders, our talks will focus on new ways to strengthen Taipei-Manila ties," Wang stressed.

He pointed out that Taiwan-Philippines trade and economic relations have grown substantially under the ROC's "Southern Strategy" aimed at boosting investment and commercial exchanges with Southeast Asian countries.

Wang said Taiwan has emerged as the Philippines' fifth largest trade partner, with two-way trade reaching U.S.\$2.3 billion in 1995. Direct Taiwan investment in the Philippines already hit U.S.\$2 billion by the end of last year, making it Manila's third largest capital supplier. Moreover, the two countries have signed an investment guarantee agreement to better protect their investors.

In addition to attending the meeting, Wang will also tour the Subic Bay where a Taiwan-invested industrial park is being built. Wang said the first-phase construction, covering 105 hectares of land, has been completed, and 39 Taiwan-funded companies are scheduled to start operations there by the end of August. Meanwhile, 120 other Taiwan firms have registered for setting up production bases on the 52-hectare land now under development.

Wang said he is convinced that the Taiwan industrial park should have become a new landmark in the Subic Bay when the 1996 APEC leadership meeting opens there late this year.

Wang is accompanied by a 35-member delegation of trade officials and business executives on his Philippines visit.

The agenda of the two-day ministerial-level meeting will include proposed signing of a bilateral tax exemption agreement, cooperation in sugar production and express mail services, and regional economic cooperation issues.

ROC delegates will also ask the Philippines to take effective measures to prevent Filipino workers from committing crimes in Taiwan during the meeting.

**Taiwan: Gambian Ambassador Presents
Credentials To Li Teng-hui**

OW0807113296 (Internet) Taiwan Central News
Agency WWW in English 0944 GMT 8 Jul 96

[By Elizabeth Hsu]

[FBIS Transcribed Text] Taipei, July 8 (CNA) — The Gambia's new Ambassador to the Republic of China [ROC] Antouman Saho on Monday presented his credentials to President Li Teng-hui.

In the meeting with Saho, President Li said that the ROC government will do its best to promote the agricultural and medical cooperation with the Gambia.

Amb. Saho told President Li that he is deeply impressed by the diligence and friendliness of the ROC people after he arrived in Taipei. He said that he hopes to devote himself to boosting exchanges between the two sides.

**Taiwan: Presidential Office Issues Military
Personnel Decree**

OW0607025396 Taipei CHUNG-YANG JIH-PAO
in Chinese 28 Jun 96 p 4

[FBIS Translated Text] On 27 June the Presidential Office issued a decree appointing Army General Wang Wen-hsieh vice minister of national defense; Army General Ting Chih-fa commander-in-chief of the Combined Service Force; and Army General Li Chien-chung commander of the Army Control District and commander of the Coast Patrol Headquarters. Lieutenant General Tang Yao-ming was promoted to general and appointed army commander-in-chief.

Meanwhile, Air Force General Chao Chih-yuan will be relieved of his duties as vice minister of national defense; Army General Wang Wen-hsieh as commander-in-chief of combined service force; General Li Chen-lin

as army commander-in-chief; General Wang Jo-yu as commander of the army control district and the coast patrol headquarters; and Army General Li Chien-chung as deputy chief of the general staff, since they will be assigned to new posts.

The decree goes into effect on 1 July.

**Taiwan: High-Tech Competitiveness Among World
Highest**

OW0607100196 (Internet) Taiwan Central News
Agency WWW in English 0924 GMT 6 Jul 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, July 6 (CNA) — The level of high-tech industries in Taiwan and three other "Asian dragons" are on a par with Western industrial countries, and the four Asian countries may become leaders in high-tech field in 15 years, the Council for Economic Planning and Development (CEPD) reported Saturday.

Quoting a research report by the Georgia Institute of Technology in Atlanta, CEPD officials said in addition to the four "Asian dragons," Malaysia, Brazil, Argentina and India have high competitive potential in high-tech industries.

The report pointed out that high-tech products from Taiwan, South Korea, Singapore and Malaysia are actually good enough to challenge their counterparts from most Western industrially-advanced countries. Their economic strength rivals those of the Organization of Economic Cooperation and Development (OECD) members, it said.

The report was based on a survey of 28 leading countries around the world from 1990 to 1993 on four "input indicators" including productivity, socio-economic and science-tech foundation.

Hong Kong

Hong Kong: Patten Criticizes Chinese-Language Press Self-Censorship

OW0607050196 Hong Kong HONG KONG STANDARD in English 6 Jul 96 p 4

[Article by Cannen Cheung: "Governor Calls On Media To Be Fearless, but Fair"]

[FBIS Transcribed Text] Governor Chris Patten yesterday called on media in Hong Kong to recognize their responsibilities to be fair as well as fearless in reporting news, especially when it affects people's lives.

The Governor expressed concern over "very disturbing" recent cases of news reporting when he was invited to take part in a radio phone-in program yesterday.

He said there has been one or two disturbing cases where the media had overstepped the line and been too intrusive "in the way they poke their notebooks and cameras into the corners of people's lives. And I think the media must recognize — and it has got to come from the proprietors down — their responsibilities to be fair as well as fearless," he said.

He also expressed his concern over self-censorship in the media. He said the increase in self-censorship didn't come naturally in Hong Kong.

"I think that most people still put their dollars on the newsstand to purchase newspapers that tell things as they really are."

He said self-censorship has been "pretty clear" with the Chinese-language press, particularly in the past year.

"So I think self-censorship is something to watch out for. And it is a pretty feeble response and a pretty unprincipled response to events," he added.

Challenged by a caller, Mr. Patten said he didn't feel powerless or redundant in the remaining year before the handover.

Hong Kong: Patten Says 8,000 Face Being 'Stateless' After 1997

OW0607051096 Hong Kong SOUTH CHINA MORNING POST in English 6 Jul 96 p 1

[Article by Glenn Schloss and David Wallen: "8,009 Face Becoming Stateless Next Year"]

[FBIS Transcribed Text] The number of people from ethnic minorities who face becoming stateless after the handover is 8,009 — double the previous estimate, Governor Chris Patten revealed yesterday.

Groups lobbying Britain for full citizenship for non-Chinese permanent residents had been working on a figure between 3,000 and 5,000.

Campaigners from the Indian and Pakistani communities and Executive Councillor Jimmy McGregor welcomed the new figure as providing a significant boost to their lobbying efforts.

They said it would be politically acceptable in the United Kingdom to grant citizenship despite the fears of both major political parties of an anti-immigration backlash.

"They are such ridiculously small numbers which, for the purpose of political reality, make no difference," Indian Resources Group spokesman Rave Gidumal said.

Mr. McGregor said the British Government owed a debt to those who would become stateless.

"They are the detritus of colonialism," he said.

Pakistan Association of Hong Kong President Mohammad Toufique Amdani said the children and grandchildren of people who had moved here to serve the British Empire should not be left behind.

Mr. Patten will use the figures to further push the issue during his trip to Britain next week, but there were no indications of any policy shift in London.

Foreign Secretary Malcolm Rifkind has told the SOUTH CHINA MORNING POST: "I am not aware of any change of circumstance which would point to any alteration of policy."

The Labour Party said the new figures would not change its position — ethnic minorities have a guarantee they can come to Britain under a Labour Government but not be granted immediate citizenship.

Non-ethnic Chinese are not expected to be eligible for Special Administrative Region passports and members of the ethnic minorities — who were born in Hong Kong after their families move here — only have British Hong Kong travel documents.

Mr. Patten was cautious about the accuracy of the 8,009 figure, produced by checking identification records at the Immigration Department, but said about half were from India and Pakistan.

The Government warned the figure could be overestimated by as many as 3,424 who could already be nationals of other countries such as the United States.

Mr. Patten said the number helped to guard against fraudulent claims from Indians or Pakistanis who already held travel documents from their homelands.

Hong Kong: Patten Tells AFP 'Plenty' To Do Before Handover

OW0707025696 Hong Kong AFP in English
0247 GMT 7 Jul 96

[By Paul Harrington]

[FBIS Transcribed Text] Hong Kong, July 7 (AFP) — China has called him a prostitute, a criminal a lame duck, but after four years in Hong Kong's top job no one can call Governor Chris Patten a quitter.

With a year to go before China takes back Hong Kong after more than 150 years of British rule, nobody doubts that Patten will see the job through.

There are still, however, those who wish he wouldn't.

Beijing has refused to deal with the governor since he pushed through electoral reforms, and has vowed to scrap and replace his Legislative Council when China takes power here on July 1 next year.

Patten, who assumed the post on July 9, 1992, seems unmoved by the criticism.

"The problems we've had are when we have asserted Hong Kong's autonomy, when we've stood firm by the promises that were made to the people of Hong Kong," Patten told AFP.

Those promises, he added, include freedom of speech, freedom of assembly, a high degree of autonomy, the rule of law and a gradual path towards a democratically-elected legislature.

Democrats, and many others, doubt that China's promises are worth the paper they are written on, and whatever Patten has achieved will not be evident until after the handover.

"The only real test of Chris Patten's time in Hong Kong will be whether, after he leaves, he has left in place adequate safeguards for human rights, basic freedoms and the rule of law and democratic institutions," said Martin Lee, head of the Democrats, Hong Kong's largest political party.

While China derides Patten for going too far, independent legislator Emily Lau says Patten has not gone far enough.

"Patten has been a disappointment. I'm disappointed not just in him personally but in the British Government," Lau said.

Lau can pinpoint the root of her main complaint to 5:00 a.m. on June 30, 1994.

"The three British government officials voted against my bill for a fully-elected Legislative Council and I will never forget that."

The bill lost by a single vote.

Had it passed, Patten "would have been exposed as a fake," said Lau, "and he didn't relish that prospect."

Dismissing the "lame duck" tag, Patten insists there is plenty on his political plate between now and the handover.

Effecting a smooth transition is top of the list, but massive projects, centred round the new Chek Lap Kok airport, also loom large.

Patten is unwilling to openly endorse any candidate for the post of first chief executive of the Hong Kong Special Administrative Region of China. To do so may be the kiss of death for any of the candidates, who include his deputy Anson Chan.

"Whoever is chosen should be able to command the instinctive support of and loyalty of the whole community, principally as Hong Kong's leader and representative in Beijing rather than Beijing's representative in Hong Kong."

The top Hong Kong job is not for the faint-hearted, he said.

"My job's been difficult enough, but I think my successor will face an even more awesome challenge".

When Patten, the 28th and last governor of a colony once dubbed a "barren rock, arrived in 1992, with the "doubting Thomases" already out in numbers predicting a swift recall to British politics.

His career had been derailed by the 1992 British general election, when Patten, the party's main tactician, guided the Conservatives to an unexpected poll victory but lost his own Bath seat.

Some saw the Hong Kong job as an unofficial "thank you" or sinecure.

Whatever the reason, the arrival of a hardened politician in a post traditionally filled by a foreign office careerist had immediate effects.

Gone were the ceremonial duck feathers, and white colonial uniform. In came a business suit, a governor who did not speak Chinese, and a hard-nosed politician who said what he thought.

But what is in store for Patten after he sails into the sunset aboard HMS Britannia on June 30, 1997? Most former governors are content with a couple of company directorships and a seat in the House of Lords.

"All that I've concluded so far is that I'm going to take a substantial chunk of time off, digging my vegetable garden and writing in the sun," said the governor.

"Do I think I will be between now and the last trumpet, the prime minister of the United Kingdom of Great Britain and Northern Ireland? No, I don't."

Hong Kong: JLG Experts To Hold 10th Meeting on Hong Kong Budget

OW0807081896 Beijing XINHUA in English
0805 GMT 8 Jul 96

[FBIS Transcribed Text] Hong Kong, July 8 (XINHUA) — Experts on the Sino-British Joint Liaison Group (JLG) will hold its 10th meeting here from July 9 to 10 to discuss Hong Kong's financial budget and related matters for the transition period, according to the Chinese side of the JLG.

The Chinese team will be headed by Chen Zuor, Chinese representative of the JLG, while the British team will be led by Kwong Ki-chi, secretary of the Treasury of the British Hong Kong Government.

Hong Kong: PC Members Divided Over Granting Privileges to Legislators

HK0807054196 Hong Kong HONGKONG
STANDARD in English 5 Jul 96 p 4

[By Baby Sung In Beijing]

[PTS Transcribed Text for FBIS] Preparatory Committee members are divided over granting privileges to Hong Kong's current legislators to be candidates for the provisional legislature.

The Preparatory Committee provisional legislature panel starts a two-day session today to discuss the qualifications of candidates and a concrete formation method.

Member Peter Wong Mankong yesterday disagreed with giving privileges to previous legislators as candidates for the provisional legislature simply because they were experienced in the work of the legislature.

His view was echoed by Professor Victor Sit Funghuen who proposed that the nomination pool should be open, and it was not necessary to give former legislators priority.

But Chinese University Prof Lau Siu-kai said former legislators should have the privilege, and need not to be nominated.

The PC has passed a resolution that members of the provisional legislature will be elected by the 400-member selection committee before the end of the year.

Prof Lau proposed that each of the four categories of the selection committee could nominate a maximum of 25 people which would result in a pool of more than 100 candidates.

Each category of the selection committee would then elect 15 people, with a total of 60 members elected to sit on the provisional legislature.

Hong Kong: Legislators Expect To Face Post-97 Problems

HK0807055296 Hong Kong SUNDAY HONGKONG
STANDARD in English 7 Jul 96 p 1

[By Michael Smith]

[PTS Transcribed Text for FBIS] More than one-third of existing Legislative Council members expect to face problems in Hong Kong after next year's handover because of their political activities.

And an equal number say they are not willing to sit on the provisional legislature.

A survey of legislators conducted by The Sunday Hong Kong Standard last week found that 22 legislators expect to encounter difficulties after the handover due to a political backlash from China, while 21 of the 60 members said they would not join the provisional legislature.

Only 17 said they would serve on the temporary assembly, which has been attacked by the Government and democrats as unconstitutional.

The remaining 22 said they had not yet decided, would only sit on the body under certain conditions or refused to respond to the question.

While it is unclear who China would let sit on the provisional legislature, the survey showed a large percentage has already decided they would not take up the job, even with Beijing's blessing.

The Democratic Party has said in the past it would refuse to join the provisional legislature. But some Preparatory Committee members recommended last week that all existing legislators be invited to nominate for a place on the caretaker body.

However, the survey showed that almost half the existing legislators planned to stand for the first SAR legislative council, to be set up in 1998.

Ten members were undecided. They included Liberal Party's Allen Lee Peng-fei and the DAB's Chan Yuen-han, who said "maybe" they would stand in 1998.

Independent Lee Kai-ming said he was "not willing" and the Liberal Party's Henry Tang Ying-yen, Democratic

Party vice-chairman Anthony Cheung Bing-leung, independent Paul Cheng Ming-fun and independent Chim Pui-chung said they had not yet decided.

Independent Margaret Ng said it depended on the election law at the time.

However, when asked if they planned to remain in politics after 1997, whether as a member of the legislative council or in some other role, 36 said "yes" and only two—including Allen Lee Peng-fei — said "maybe" or that they had not decided.

Seven independents and almost all the ADPL and Democratic Party members who responded said they would probably encounter problems after 1997.

Only two Democratic Party members — Law Chi-kwong and Andrew Cheng Kar-foo — answered "no" when asked if they expected to face any difficulties.

Mr Cheng said working as a politician under the Democratic Party flag would not affect his work. In fact, he believed it would help him because of the party's popularity.

Mr Cheng said if he could not join a post-1997 legislature, he would become a "street fighter" to continue battling for his political ideals.

Democratic Party legislator Tsang Kin-shing said he had "sufficient psychological preparations for the difficulties ahead".

Seven independents, many of them members of the Preparatory Committee, and all the Liberal Party and DAB members who responded said they did not expect any problems.

Independent Christine Loh kung-wai said there would be problems but remained more optimistic.

"The challenge that faces Hong Kong is for us to accept that challenge and plough on nevertheless," she said.

Ms Loh and some other democrats said they would only sit on the provisional legislature if the body was found to be legal and the way its members were chosen had political legitimacy.

Hong Kong: Provisional Legco Meeting Ends in Beijing

OW0607170396 Beijing XINHUA in English
1535 GMT 6 Jul 96

[FBIS Transcribed Text] Beijing, July 6 (XINHUA) — The panel for the Provisional Legislative Council [Legco] of the Preparatory Committee of the Hong Kong Special Administrative Region (SAR) ended its two-day second meeting here today.

During the meeting, the Preparatory Committee members discussed issues related to the selection method for the Provisional Legislative Council.

A tentative plan for the selection process was set forth by the Second Plenary Session of the Preparatory Committee, suggestions offered by the Preliminary Working Committee, and views presented by various Hong Kong groups and individuals.

They suggested that members of the Provisional Legislative Council be elected after nomination by the Selection Committee. Nomination and elections will be presided over by the Preparatory Committee.

The Preparatory Committee members held that candidates for the members of the Provisional Legislative Council should conform to the following five requirements:

— They must reach the age of 18;

— They must have the status of permanent Hong Kong residents in accordance with the stipulations of the Article 24 of the Basic Law for the Hong Kong SAR;

— They must support the Basic Law for the Hong Kong SAR;

— They must be loyal to the Hong Kong Special Administrative Region of the People's Republic of China and;

— They must perform the duties of the Provisional Legislative Council.

Those who comply with these requirements and are willing to stand for voting can become candidates when their qualifications are confirmed by the Preparatory Committee.

During the discussion, the Preparatory Committee members pointed out that candidates will be equal for qualification, and there will be neither discrimination nor favoritism.

Following further study, the panel will present a formal plan for the selection of the Provisional Legislative Council and other relevant issues.

Personalities from all walks of life in Hong Kong are welcome to offer their opinions and suggestions regarding to the selection of the Provisional Legislative Council.

Hong Kong: HKSAR Civil Servants Attend Symposium on Basic Law*OW0507170696 Beijing XINHUA in English
1554 GMT 5 Jul 96*

[FBIS Transcribed Text] Hong Kong, June 5 (XINHUA) — Over 100 civil servants of the Hong Kong government gathered here today to attend a symposium on the Basic Law and the government of Hong Kong Special Administrative Region (SAR) [HKSAR].

Organized by the Hong Kong Chinese Civil Servants' Association (HKCCSA), the symposium was the first of its kind for HKCCSA to invite the members of the SAR Preparatory Committee (PC) to make speeches and exchange views with the civil servants on the Basic Law topics.

The meeting was scheduled to open at 2:30 p.m., but the meeting room at the HKCCSA's club was almost full at 2:15.

Poon Chin-ming, HKCCSA's secretary for the symposium, said, "the enthusiasm of our members in the symposium exceeded our expectation," adding, "we have to move in more chairs for the listeners."

In his opening speech, Peter Wong Hyo, chairman of HKCCSA, said that in the last year of Hong Kong's transition, more and more civil servants are eager to learn about the Basic Law and the future SAR government.

He said that the symposium will serve as an aid for civil servants to understand Chinese government's principle of "one country, two systems", "high-degree autonomy" and "let Hong Kong people running Hong Kong".

He added that his association will hold a series of symposiums for civil servants in the coming months.

During the three-hour symposium PC members Rita Fan Hsu Lai-tai talked about the qualification for Hong Kong's permanent residents and questions about the Nationality Law of the People's Republic of China.

She also made expositions on the articles of the Basic Law involving civil servants.

Wilfred Wong Ying-wai, another PC member, focused his speech on the formation of the Selection Committee under PC which is expected to be set up soon.

He made expositions of the methods for the committee's formation and its two major functions — selecting the SAR Chief Executive and the SAR's Provisional Legislative Council.

Founded in 1914, the Hong Kong Chinese Civil Servants Association has over 80 sub-associations with

more than 100,000 members who are working in all sectors in the Hong Kong government.

Hong Kong: CNAC Raises Cash for Controlling Stake in Dragonair*HK0807053796 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
6 Jul 96 p 1*

[By Nicholas Ionides]

[PTS Transcribed Text for FBIS] China National Aviation Corp's (CNAC) \$1.62 billion loan syndication to help pay for a controlling stake in Hong Kong Dragon Airlines (Dragonair) has been completed.

BZW Asia chairman and chief executive John Richardson said yesterday at a signing ceremony with the Chinese state-owned company's chairman, Wang Guixiang, that nine banks had joined the syndication.

BZW Asia, the local arm of the British investment bank, last month arranged CNAC's placement of 90 million shares in Cathay Pacific Airways, raising \$1.25 billion to help cover the \$1.97 billion cost of the biggest single stake in Dragonair.

The placement left CNAC with a 2.6 per cent shareholding in Cathay, down from 4.2 per cent.

CNAC made the placement eight days after it bought the 35.86 per cent stake in Dragonair from Citic Pacific, Swire Pacific and Cathay.

A condition of the sale was that CNAC, controlled by the regulatory Civil Aviation Administration of China, dropped plans to set up a competing airline in Hong Kong and that Dragonair would be floated on the stock exchange "as soon as practicable".

Mr Richardson said BZW was hopeful it would be able to join three other banks already selected to assist Dragonair with its flotation.

Informed officials said HSBC Investment Banking, SBC Warburg and Peregrine Investments Holdings had been hired to arrange the initial public offering (IPO) of 20 per cent of the company.

"We acted as adviser to CNAC on its acquisition of the stake in Dragonair, arranged the bridging finance for the acquisition and underwrote the placement of 90 million shares in Cathay for CNAC," Mr Richardson said.

Mr Wang said a date for the IPO had still not been settled, though it was thought to be tentatively set for about the end of the year.

Mr Wang, who is also chairman of Air Macao and Dragonair, said Dragonair would soon add scheduled

flights to Qingdao, Chengdu, Xian, Urumqi and either Shantou or Chongqing.

The airline already operates charter flights to Qingdao, Chengdu and Xian, but these will be converted to scheduled services as part of an agreement between Britain and China last month.

Mr Wang last week became the highest ranking Chinese aviation official to make an official visit to Taiwan.

He met officials who would eventually be involved in talks to resume direct flights between Taiwan and China. But he said yesterday the trip was solely a commercial visit and such flights were still some time away, although "the aviation companies have already prepared for that".

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